

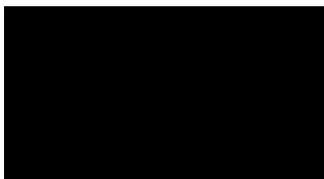
The Walker Trust

Annual Report and Accounts

Year ended 31 December 2021

LEGAL and ADMINISTRATIVE INFORMATION

Trustees

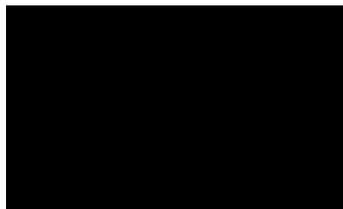


Bishop of Edinburgh
Dean of the Diocese of Edinburgh
Secretary of the Diocese of Edinburgh

Charity No SC002877

Principal address 21A Grosvenor Crescent
Edinburgh
EH12 5EL

Independent Examiner



Investment managers Murray Asset Management UK Limited
50 Jermyn Street
London
SW1Y 6LX

THE WALKER TRUST

Trustees' Report

Year ended 31 December 2021

The trustees are pleased to present their report together with the financial statements and independent examiner's report for the year to 31 December 2021

Structure, governance and management

The Walker Trust is constituted by a Declaration of Trust dated 13 September 2019 which replaced the original Act of Parliament of 1877 under which the Trust formerly functioned. The Trust Deed specifies that three representatives of the Scottish Episcopal Church Diocese of Edinburgh shall be trustees - the Bishop of Edinburgh, the Dean of the Diocese and the Diocesan Secretary - and that there shall be at least two other Trustees.

The Trustees are responsible for the management of the Trust. They have delegated day-to-day administration and investment management functions. The Administrators until June 2021 were Murray Beith Murray after which when they were replaced by the treasurer and administrator of the Diocese of Edinburgh. The Investment Managers throughout the year were MAM UK Limited.

The Trustees hold an annual meeting each year to consider the preceding year's accounts and management of the Trust. Any newly appointed trustees are given the background to the Trust on their assumption and copies of relevant documents, including, where appropriate, charities legislation and regulations.

Objectives and activities

The Trust Deed requires the Trustees to hold the Trust Fund and their income thereof in trust for:

- 1 The settlement of administration costs
- 2 The advancement of the Scottish Episcopal Church, with the Diocese of Edinburgh being considered as having a prior claim;
- 3 The further advancement of St Mary's Episcopal Cathedral, Edinburgh; and
- 4 Any other charitable purpose directed to the improvement, efficiency or benefit of the Trust.

The Trust also holds the Office of Usher of the White Rod established as a hereditary dignity in the 14th century, who attended the Parliament of Scotland before its abolition in 1707. The Bishop of Edinburgh as ex-officio Chair of the Walker Trustees is the present Usher of the White Rod, but the role carries no duties. The Trust's original founder, Mary Walker, dictated that the Office should be held perpetually by the Trustees with power to appoint a deputy to officiate. Certain regalia associated with the Office is held by the Trust and is currently on loan to the National Museum of Scotland.

Achievements, performance and financial review

During 2021, the Trustees utilised the net income from the previous year to make grants to the Diocese of Edinburgh and to St Mary's Cathedral, allocating 75% of the total to the Cathedral (2020: 75%).

During the year, the day-to-day administration of the Trust was transferred to the Diocese of Edinburgh, with a potential annual cost saving of over £3,000.

The Trust's listed investments generated income of £18,545 - a yield of 3% based on average value in the year. Management costs were 0.7% of the average asset value and 23% of total income. The portfolio gained £62,014 in the year, making a total return of £80,559 or 13.45% (£76,159 or 12.7% after management fees). This compares with a 12.54% total return on the benchmark, which is the PIMFA Private Investors' Balanced Index .

Governance costs in both 2021 and 2020 have included exceptional payments in relation to the reorganisation of the Trust in 2019 which depressed the sums available for grant making.

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TRUSTEE'S REPORT Year ended 31 December 2021 (continued)

Reserves policy

The Trustees aim to distribute in full each year the previous year's investment income after deducting the costs of generating it. These costs include 50% of administration and investment management fees. The remaining 50% and any other relevant costs are recovered from the value of the portfolio, but otherwise capital reserves are not currently utilised for grant-making.

Investment policy

The Trustees have instructed the Investment Managers to seek a balanced return between capital growth and income on the basis of a medium level of risk. The Investment Managers take Environmental, Social and Corporate Governance factors into account in their investment processes.

Risk

The Trustees periodically review the risks to which the Trust may be exposed and take appropriate steps to mitigate them. The major risk - loss of investment value and income - is mitigated by the appointment of professional investment managers. The Trustees also ensure that the heritage assets are appropriately insured by the Museum to which they are loaned.

Future plans

The Trustees will continue to review the organisation, management and administration of the Trust in order to maximise the funds available for grant-making while at the same time maintaining its position on risk management.

Approved by the Trustees on 9 May 2022 and signed on their behalf by

A large black rectangular redaction box covering the signature and name of the trustee.

THE WALKER TRUST

INDEPENDENT EXAMINER'S REPORT To the Trustees of the Walker Trust

I report on the financial statements for the year 31st December 2021 set out on pages 5 to 8.

Respective responsibilities of Trustees and examiner

The Charity's Trustees are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity's Trustees consider that the audit requirement of Regulation 10(1) (d) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the financial statements.

Independent examiner's statement

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
- (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - (ii) to prepare financial statements which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations;

have not been met or

- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Dated: 3.15/22

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Receipts and Payments Account

Year ended 31 December 2021

	Note	2021 £	2020 £
Receipts from operations			
Investment income	3	18,545	17,711
Proceeds of sales of investments	9	27,030	97,382
Total Receipts		45,575	115,093
Payments on operations			
<i>Fundraising</i>			
Investment management costs		4,400	4,366
<i>Charitable activities</i>			
Grant making	4	12,717	16,700
Administration	5	2,407	3,354
		15,124	20,054
<i>Governance costs</i>	6	2,886	6,160
Total payments on operations		22,410	30,580
Purchases of investments		17,218	83,191
Total payments		39,628	113,771
Net receipts/(payments) in year		5,947	1,322
Bank balances at 1 January		17,361	16,039
Bank balances at 31 December	7	23,308	17,361

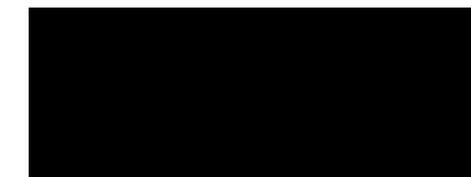
THE WALKER TRUST

Statement of Balances

As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Heritage asset	8	176,000	176,000
Investments	9	652,028	599,826
		<u>828,028</u>	<u>775,826</u>
Current assets			
Cash at bank and in hand	7	23,308	17,361
Current liabilities			
Creditors: Management and examination fees		<u>(2,724)</u>	<u>(4,101)</u>
Net current assets		<u>20,584</u>	<u>13,260</u>
Total net assets		<u>848,612</u>	<u>789,086</u>

Approved by the Trustees on 9 May 2022 and signed on their behalf



THE WALKER TRUST

Notes to the Accounts: year ended 31 December 2021

1 Basis of accounts

These accounts have been prepared on the Receipts and Payments basis in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

2 Funds

The Trust Deed permits all funds to be used at the discretion of the Trustees without distinction between revenue and capital. Accordingly all the Trust's funds are unrestricted.

3 Investment income

	2021	2020
	£	£
From listed investments	18,544	17,697
Interest received	1	14
	<u>18,545</u>	<u>17,711</u>

4 Grants paid

	2021	2020
	£	£
Diocese of Edinburgh	3,179	4,200
St Mary's Episcopal Cathedral	9,538	12,500
	<u>12,717</u>	<u>16,700</u>

5 Administrations costs

Administration costs comprise sums paid to Murray Beith Murray for routine management of the Trust and related outlays.

No Trustee received remuneration directly from the Trust, or was paid expenses. See also Note 10.

6 Governance costs

	2021	2020
	£	£
Trust reorganisation costs	2,640	5,920
Independent Examiner's fee	246	240
	<u>2,886</u>	<u>6,160</u>

Reorganisation costs consist of legal fees and related costs connected with setting up the current Trust Deed, which in November 2019 replaced the original Act of Parliament governing the Trust, and transferring the administration of the Trust to the Diocese of Edinburgh.

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Notes to the Accounts: year ended 31 December 2021 (continued)

7 Bank balances

	2021	2020
	£	£
Main bank account held by Administrators	14,841	13,020
Cash element of investment portfolio	7,820	3,818
Investment Managers' revenue account	647	523
	<u>23,308</u>	<u>17,361</u>

8 Heritage Assets

Heritage assets comprise the regalia and artefacts associated with the Office of the Usher of White Rod and have been on loan to the National Museum of Scotland since August 2009. They were valued at that time by Lyon & Turnbull at £176,000. No subsequent valuation has been carried out. The Trustees do not intend to dispose of these assets which have been held by the Trust since its establishment in 1877.

9 Listed Investments

	2021	2020
	£	£
Market value at 1 January	599,826	648,095
Proceeds of disposals	(27,030)	(97,382)
Additions at cost	17,218	83,191
Gain/(loss) on revaluation	62,014	(34,078)
Market value at 31 December	<u>652,028</u>	<u>599,826</u>

10 Related party transactions

Trustee remuneration

██████████ is a trustee and is both a partner in Murray Beith Murray ("MBM"), who acted as the Trust's administrators until June 2021, and a director of MAM UK Limited, the Trust's investment managers. During the year MBM and MAM UK received payments from the Trust, in respect of their professional services, totalling £9,447 (2020: £13,620).

Related party transactions

██████████ and ██████████ are trustees and also members of the Standing Committee of the Diocese of Edinburgh, which constitutes, for Charity Law purposes, the Trustees of the Diocese. St Mary's Cathedral is a separate legal entity, but a member congregation of the Diocese of Edinburgh. Grants made to the Diocese of Edinburgh and St Mary's Cathedral are disclosed in note 4.