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THE JOAN LYNETTE DALTON CHARITABLE TRUST

REFERENCE AND ADMINISTRATION DETAILS

Corporate Trustee

HSBC Trust Company (UK) Limited

Current Directors of Corporate Trustee

D J Coke
J Coyle (Appointed 01 March 2016)
D A Morse (Appointed 16 March 2016)
P M Spencer (Appointed 11 April 2016)
J B Hackett (Resigned 01 March 2016)

Trust Manager

S Hill

Principle Office

Forum 1
The Forum Parkway
Whiteley
Fareham
Hampshire
PO15 7PA

Independent Examiner

M Johns FCCA
RSM UK Tax and Accounting Limited
Chartered Accountants
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

Bankers

HSBC Bank Plc
Forum 1
The Forum Parkway
Whiteley
Fareham
Hampshire
PO15 7PA

Investment Managers

HSBC Global Asset Management (UK) Ltd
78 St James’s Street
London
SW1A 1HL
The trustee presents its report together with the accounts of the charity for the year ended 5 April 2016, which have been prepared on a receipts and payments basis. The financial statements have been prepared in accordance with the charity's constitution and applicable law.

Structure, government and management
The Joan Lynette Dalton Charitable Trust is an unincorporated trust and is constituted under a deed of settlement dated 8 November 2013. The trust is a registered charity (no. 1154521).

The corporate trustee has appointed a designated trust manager to look after the charity.

The power to appoint additional trustees is vested in the current trustee, and is exercisable in writing. Should new trustees be appointed, the existing trustee would take responsibility for their induction.

The trustee has examined the major strategic, business and operational risks which the charity faces and confirms that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The main risk in the year was considered to be the variability of investment returns.

Objectives and activities
The objectives of the charity are to pay or apply the income of the trust fund to or for such charitable institutions or purposes in such shares and in such manner as the committee shall determine. Charitable payments may also be made out of the capital fund at the discretion of the trustee.

This is performed through the awarding of grants, in accordance with the terms of the governing document. The trustee considers grant making an effective method of delivering these objectives. Grants are awarded at the discretion of the trustee, guided by a letter of wishes provided by the late Joan Lynette Dalton.

Achievements and performance
During the year 21 grants totalling £64,400 (2015: 14 grants totalling £34,930) were awarded to charitable institutions, in accordance with the terms of the governing document. No grants were awarded to individuals in either year.

The beneficiaries are disclosed in Appendix 1 of the accounts.

Financial review
The charity originally received donations under the terms of the deed of settlement. The fund generated income of £39,541 (2015: £29,728) in the year to fund its charitable activities. Direct charitable expenditure of £64,400 (2015: £34,930) was made in the form of grants to charitable institutions.

The level of investment income generated in the year was considered satisfactory and the market value of the investments moved in line with the underlying securities.
Investment policy
In accordance with the governing document, the trustee has the power to invest in such stocks, shares, investments and property as they see fit. The trustee engaged HSBC Global Asset Management (UK) Limited as Investment Managers. The policy is to adopt a low to medium risk investment strategy to protect, in absolute terms, the capital value of the fund whilst producing a sustainable and growing level of income, and also providing the potential for longer term growth of capital in real terms.

Reserves policy
The unrestricted funds, which are the free reserves of the charity, and which are represented by the income arising are paid over to beneficiaries throughout the year. It is not the policy of the charity to maintain specific reserves.

The expendable endowment funds represent those assets, which are held permanently by the charity, principally investments. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. The trustee has the power to convert this fund into income.

Public benefit
We have referred to the guidance contained in the Charity Commission’s general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustee considers how planned activities will contribute to the aims and objectives they have set.

Plans for the future
The trustee intends to continue providing grants in a similar way to the recent past whilst retaining flexibility as to the timing and scale of grant making.

Related parties
The corporate trustee and the investment managers are both wholly owned subsidiaries of HSBC Holdings plc.

In addition to those fees shown on page 6, as a result of the acquisition and disposal of investments, the charity pays transaction charges to HSBC Bank plc. The charges are calculated on a sliding scale at a percentage of the transactions value plus VAT and are added to or deducted from the cost of the investments or the disposal proceeds in accordance with UK standard accounting practice.
Statement of trustee's responsibilities in relation to the financial statements

The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, giving a true and fair view, the trustee should follow best practise and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustee is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) 2008 Regulations and the provisions of the trust deed.

The trustee is responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustee and signed on its behalf:

HSBC Trust Company (UK) Limited

Date: 16 January 2017
I report on the accounts of The Joan Lynette Dalton Charitable Trust for the year ended 5 April 2016, which are set out on pages 6 to 8.

Respective responsibilities of trustee and examiner
The charity's trustee is responsible for the preparation of the accounts. The charity's trustee considers that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:
- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report
My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustee concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a “true and fair view” and the report is limited to those matters set out in the statement below.

Independent examiner's statement
In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:
   - to keep accounting records in accordance with section 130 of the 2011 Act; and
   - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act
   have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Michaela Johns FCCA

For and on behalf of RSM UK Tax and Accounting Limited
Chartered Accountants
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

Date: 23.1.17
THE JOAN LYNETTE DALTON CHARITABLE TRUST

RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 5 APRIL 2016

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds</th>
<th>Endowment funds</th>
<th>Total 2016</th>
<th>Total 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Receipts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>39,541</td>
<td>-</td>
<td>39,541</td>
<td>29,728</td>
</tr>
<tr>
<td>Probate income</td>
<td>3</td>
<td>-</td>
<td>3</td>
<td>189,319</td>
</tr>
<tr>
<td>Tax refund</td>
<td>2,201</td>
<td>-</td>
<td>2,201</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>41,745</td>
<td>-</td>
<td>41,745</td>
<td>219,047</td>
</tr>
<tr>
<td><strong>Investment sale proceeds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from the sale of investments</td>
<td>284</td>
<td>452,840</td>
<td>453,124</td>
<td>1,295,747</td>
</tr>
<tr>
<td><strong>Total receipts</strong></td>
<td>42,029</td>
<td>452,840</td>
<td>494,869</td>
<td>1,514,794</td>
</tr>
</tbody>
</table>

| **Payments**     |                    |                 |            |            |
| Cost of generating funds |                |                 |            |            |
| Investment service charge | - | 15,053          | 15,053     | 11,989     |
| **Charitable activities** |                |                 |            |            |
| Grants paid      | 64,400            | -               | 64,400     | 34,930     |
| Other allocated costs | - | 10,298          | 10,298     | 8,269      |
| **Governance costs** |                |                 |            |            |
| Independent examiner's fee | 3,360 | -              | 3,360      | -          |
| **Total**        | 67,760            | 25,351          | 93,111     | 55,188     |
| **Investment purchases** |          |                 |            |            |
| Payments for purchases of investments | 2 | 407,381         | 407,383    | 1,435,045  |
| **Total payments** | 67,762            | 432,732         | 500,494    | 1,490,233  |

Net receipts/(payments) | (25,733) | 20,108 | (5,625) | 24,561 |

Transfers between funds | (282) | 282 | - | - |

Cash invested at 6 April 2015 | 42,648 | 35,638 | 78,286 | 53,725 |

Cash invested at 5 April 2016 | 16,633 | 56,028 | 72,661 | 78,286 |

These unaudited financial statements have been subjected to independent examination. See report on page 5.
THE JOAN LYNETTE DALTON CHARITABLE TRUST
STATEMENT OF ASSETS AND LIABILITIES
AT 5 APRIL 2016

<table>
<thead>
<tr>
<th>Investments</th>
<th>Unrestricted funds £</th>
<th>Endowment funds £</th>
<th>Total 2016 £</th>
<th>Total 2015 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK fixed interest securities</td>
<td>-</td>
<td>184,063</td>
<td>184,063</td>
<td>319,941</td>
</tr>
<tr>
<td>Overseas fixed interest securities</td>
<td>-</td>
<td>456,638</td>
<td>456,638</td>
<td>356,208</td>
</tr>
<tr>
<td>UK equities</td>
<td>-</td>
<td>268,489</td>
<td>268,489</td>
<td>309,830</td>
</tr>
<tr>
<td>Overseas equities</td>
<td>-</td>
<td>536,559</td>
<td>536,559</td>
<td>531,728</td>
</tr>
<tr>
<td>Alternative investment</td>
<td>-</td>
<td>77,794</td>
<td>77,794</td>
<td>120,172</td>
</tr>
<tr>
<td>Other trust assets</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Cash</td>
<td>16,633</td>
<td>56,028</td>
<td>72,661</td>
<td>78,286</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>16,633</td>
<td>1,579,572</td>
<td>1,596,205</td>
<td>1,716,166</td>
</tr>
</tbody>
</table>

| Liabilities                         |                      |                   |              |              |
| Professional fees payable          | -                    | 2,268             | 2,268        | 2,800        |

Approved by the trustee and authorised for issue on 16 January 2017 and signed on its behalf:

[Signature]

HSBC Trust Company (UK) Limited

These unaudited financial statements have been subjected to independent examination. See report on page 5.
<table>
<thead>
<tr>
<th>Institution</th>
<th>Number of grants</th>
<th>Amount £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arthritis Research UK</td>
<td>3</td>
<td>9,200</td>
</tr>
<tr>
<td>Cancer Research UK</td>
<td>3</td>
<td>9,200</td>
</tr>
<tr>
<td>National Animal Welfare Trust</td>
<td>3</td>
<td>9,200</td>
</tr>
<tr>
<td>NSPCC</td>
<td>3</td>
<td>9,200</td>
</tr>
<tr>
<td>PDSA</td>
<td>3</td>
<td>9,200</td>
</tr>
<tr>
<td>Scope</td>
<td>3</td>
<td>9,200</td>
</tr>
<tr>
<td>The Stroke Unit</td>
<td>3</td>
<td>9,200</td>
</tr>
<tr>
<td></td>
<td><strong>21</strong></td>
<td><strong>64,400</strong></td>
</tr>
</tbody>
</table>