

THE PHILIP RECKITT EDUCATIONAL TRUST FUND

FINANCIAL STATEMENTS

**FOR THE YEAR
FROM 1 JANUARY 2019 TO 31 DECEMBER 2019**

Prepared by

Rollits 

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TRUSTEES' ANNUAL REPORT

FOR THE YEAR FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

Objectives and activities

Objects

The original trust objects set by the Trust Deed in 1944, were subsequently amended by a Deed of Variation in 1949 and an Order of the High Court of Justice (Chancery Division) in 1970, and now read as follows:

"After the payment out of income of all proper costs and expenses of or incidental to the management of the trust, the trustees shall hold the trust fund and the income thereof in trust as to both capital and income for the education or assisting in the education of any persons for the time being resident in the geographical area of the East Riding of the county of York (including the City and County of Kingston Upon Hull) or in the geographical County of Norfolk (including the City and County of Norwich) in the languages, business methods social services and customs of any country or countries in any part of the world or in any other subject or subjects of study. Without prejudice to the generality of the above, the trustees are in particular empowered to extend or supply the income of the trust fund and, if they think fit, any portion or portions of the whole of the capital thereof in arranging and providing facilities for and paying or contributing towards the cost of travel, residence and attendances at conferences, lectures and educational courses (whether such conferences, lectures and educational courses take place abroad or in the United Kingdom) for such persons as aforesaid or in any of such ways or in any other manner whatsoever conducive towards the educational objects aforesaid."

Activities

The primary activity of the charity is the provision of monetary grants to individuals and groups of individuals, towards the costs of travel, residence and attendances at conferences, lectures and educational courses. The charity does not make use of volunteer labour, nor involve itself in the provision of such conferences, lectures and courses. The charity derives the whole of its funding from the income and gains generated from the investment of its trust fund.

During the year grants totalling £29,650 were awarded to 177 individuals as contributions to their travel costs for attending educational courses, conferences and lectures in the UK and abroad.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's activities and objectives and in establishing the charity's grant making policy. The trustees are satisfied that the charity's purposes are for the public benefit and the charity's grant making policy is aimed towards fulfilling the public benefit requirements.

Grantmaking policy

The trustees ensure that any criteria applied by them to determine the eligibility of grant recipients and to ensure compliance with the charity's objects and the public benefit, are reasonable, justifiable and proportionate.

With all grant applications received from individuals, it is part of the charity's grant making procedure to ensure that the purposes to which the grants are utilised are:

- charitable at law, and
- fulfil the public benefit requirements, and
- any benefit received by individuals are purely incidental to the charitable purpose of the grant.

Achievements and performance

Achievements

Education is a very large area of activity which caters to the needs of the whole population to varying degrees. This provides a large and continuous stream of potential grant applicants that would deplete the resources of the charity over time if it attempted to provide grants that covered the full amount of the applicants travel and attendance costs.

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The trustees want the charity to continue to grow and provide funding support to applicants well into the future. Therefore the charity concentrates its efforts towards providing a steady source of reasonably sized grant contributions to as wide a number of applicants as possible.

The trustees currently budget each year's grant expenditure at their annual general meetings based on their estimate of the charity's projected net income plus a contribution from retained funds. However, the final amounts actually spent will fluctuate from year to year, depending on the level of grant applications received.

Analysis of the charity's grant commitments can be seen in note 6 of these financial statements.

Investment performance

The performance of SPRET's portfolio compared to some UK stockmarket indices during the year were as follows:-

	<u>2019</u>	<u>2018</u>
<u>Total return performance</u>		
Charity's portfolio	18.4%	-5.7%
Benchmark Index	16.8%	-7.4%
FTSE 100	19.2%	-9.5%

The investment manager's review of the portfolio and markets for the year ended 31 December 2019 identified various factors affecting the performance of the portfolio, including:-

- The world economy grew by about 3% in 2019, despite continued trade war tensions between America and China, providing positive support to world stockmarkets.
- The US stockmarket powered ahead over the year on the back of full employment, strong consumer demand and continued low inflation measures that have led to a pause in expectations for further interest rate rises.
- The growth of China's economy has slowed over the year due largely to the trade war tensions with America.
- Economic growth in the EU was largely sluggish over the year with Germany struggling due to the US-China trade war tensions and Brexit uncertainty.
- World financial markets experienced significant mood swings over the year driven by changes in sentiment relating to the US-China trade war, expectations for inflation and Brexit uncertainty. This caused investors to pile into the safety of government bonds in the spring and summer. However, markets recovered in the second half helping to drive the US stock market to a new peak.
- Brexit weighed on the UK market for most of the year, but a strong rally followed the Conservative Party's election victory in December.
- The charity portfolio outperformed the benchmark index by 1.6 percentage points due to the stock selection choices of the investment manager.

Having considered the investment manager's review the trustees believe that the performance of the portfolio over the past year has been satisfactory.

Financial review**Financial summary**

Below is a summary of the charity's financial results for the year and its financial position at the year end based on the Statement of Financial Activities and Balance Sheet:-

- Total income for the year increased by 1% to £38,513 (2018: £38,086);
- Total expenditure for the year reduced by £16,322 to £44,077 (2018: £60,399);
- Total income for the year financed 87% of total expenditure (2018: 63% of total expenditure);
- After adding in net gains of £145,711 from investments (2018: net losses of £96,266) the resulting net income for the year amounted to £140,147 (2018: net expenditure of £118,579);

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- The market value of the investment portfolio at the year end amounted to £1,098,011 (2018: £976,299) which represents an increase of 12% on the previous year end;
- The total net assets of the charity at the year end amounted to £1,130,924 (2018: £990,777) which represents an increase of 14% on the previous year end.

Reserves policy

The trustees do not consider that the charity requires a formal reserve fund as a contingency against unexpected revenue declines in future periods because:-

- the risk of material revenue declines from a diversified actively managed securities portfolio is considered to be small;
- the trustees agree new grant budgets each year after reviewing past income performance and their expectations for the year ahead, and
- the one-off nature of the grants paid each year mean the trustees are able to tailor their grant approvals to the grant budgets they have agreed.

Going Concern

There are no material uncertainties about the charity's ability to continue as a going concern.

Investment policy

The trustees have agreed the following investment terms, objectives and policies with the investment manager:-

- The portfolio is managed under a full discretionary service;
- The portfolio is managed on a medium/high risk basis with the aim of protecting and enhancing the value of the portfolio by generating returns in excess of inflation, whilst also aiming for a balanced return between income and capital growth;
- The bulk of the portfolio will be invested in equities with investment in overseas and specialist areas being directed through investment trusts and unit trusts;
- Direct equity investments will be directed towards key longer term growth areas.
- The portfolio may be further diversified by scaling back the size of the larger holdings.

The investment strategy is reviewed with the investment manager on a regular basis.

Risk management systems and procedures

The trustees have reviewed the major areas of risk to which the charity is exposed and established procedures and systems to manage those risks.

Structure, governance and management

Type of governing document

The charity was originally created by a Trust Deed dated 22 November 1944, with subsequent amendments by a Deed of Variation dated 21 July 1949 and an Order of the High Court of Justice (Chancery Division) dated 20 April 1970.

How the charity is constituted

The charity is constituted as a Trust

The trustees are incorporated as a body corporate named The Incorporated Trustees of the Sir Philip Reckitt Educational Trust.

Trustee selection methods

The Vice Chancellors of the Universities of Hull and East Anglia have the power to appoint one trustee each. The power for all other trustee appointments is vested in the current trustees.

TRUSTEES' ANNUAL REPORTFOR THE YEAR FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

The existing trustees and the vice chancellors select new trustees from people known to them that they consider to have suitable knowledge and expertise. The trustees are appointed for indefinite terms, usually upon the retirement of existing trustees.

Policies and procedures for the induction and training of trustees

New trustees are provided with a copy of the Charity Commission publication CC3 "The essential trustee: what you need to know, what you need to do" which provides guidance on what is involved in being a charity trustee.

Organisational structure

The charity has no employees of its own. J Pickering (a self employed contractor) and Rollits LLP (a firm of solicitors) provide secretarial support for the Norfolk and East Riding of Yorkshire regions respectively. Their secretarial duties include performing initial checks on grant applications received before forwarding them to the trustees for decision.

In addition to the above Rollits also provides administration, investment support, legal and accounting services to the charity, including the preparation of these accounts.

None of the trustees receive any remuneration for acting as trustees of the charity.

Related party relationships

John Lane is a member of Rollits LLP. Rollits fees for the services it provides to the charity are separately identified in the notes to the accounts.

The 2019 grant commitments include a grant award of £150 to a granddaughter of Martin Needler.

Reference and administrative details

Charity name:	The Philip Reckitt Educational Trust Fund
Other names the charity uses:	Sir Philip Reckitt Educational Trust SPRET
Registered charity number:	529777
Charity's principal address:	Citadel House 58 High Street Hull HU1 1QE

Names of the charity trustees who manage the charity

<u>Trustee Name</u>	<u>Office (if any)</u>	<u>Dates acted if not for whole year</u>
Philip Holt	Trustee	
Vincent Lachowycz		
John Ayre		
Martin Needler		
John Lane		
Glynis Witham		
Robert Walpole		

Names and addresses of advisers

The charity's principal advisors are:

Investment manager	Rathbone Investment Management Ltd	George House 50 George Square Glasgow G2 1EH
Bankers	HSBC	3-4 Jameson Street Hull HU1 3JX
	Lloyds Bank	Surrey Street Norwich Norfolk NR1 3NF

TRUSTEES' ANNUAL REPORT

FOR THE YEAR FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

Independent examiner	Patrick Scargill	Sowerby Chartered Accountants Becksie Court Annie Reed Road Beverley HU17 0LF
Solicitor	Rollits LLP	Citadel House 58 High Street Hull HU1 1QE

Future Developments

The trustees are satisfied that the charity's current activity of providing monetary grants to assist individuals to attend conferences, lectures and courses in furtherance of their education is both a suitable and cost effective method of achieving its objectives. The charity expects to continue with its current method of operation for the foreseeable future. However the trustees will keep under review alternative methods for applicants to apply for grants and their subsequent processing to ensure that the procedure is user friendly, efficient and cost effective.

Declaration

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees by: John Lane
Trustee
15 July 2020

INDEPENDENT EXAMINER'S REPORT

ON THE ACCOUNTS FOR THE YEAR FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

Report to the trustees of The Philip Reckitt Educational Trust Fund (charity number: 529777) on my examination of the accounts of the charity for the year from 1 January 2019 to 31 December 2019 set out on pages 7 to 17.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the charity's accounts 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 which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts & 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.

Patrick Scargill FCCA

15 July 2020

Chartered Certified Accountant

Sowerby Chartered Accountants, Beckside Court, Annie Reed Road, Beverley, HU17 0LF

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

	Note	Unrestricted funds	
		2019	2018
		£	£
Incoming resources			
Income and endowments from:			
Investments	3	38,513	38,086
Total		38,513	38,086
Resources expended			
Expenditure on:			
Raising funds	4	2,890	2,599
Charitable activities	5	41,187	57,800
Total		44,077	60,399
Net income/(expenditure) before investment gains/(losses)		(5,564)	(22,313)
Net gains/(losses) on investments	10	145,711	(96,266)
Net income/(expenditure)		140,147	(118,579)
Net movement in funds		140,147	(118,579)
Reconciliation of funds:			
Total funds brought forward		990,777	1,109,356
Total funds carried forward		1,130,924	990,777

THE PHILIP RECKITT EDUCATIONAL TRUST FUND

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	Unrestricted funds	
		2019	2018
		£	£
Fixed assets			
Investments	11	1,098,011	976,299
Total fixed assets		1,098,011	976,299
Current assets			
Debtors	14	787	1,525
Cash at bank and in hand	15	37,345	17,807
Total current assets		38,132	19,332
Creditors: amounts falling due within one year	16	5,219	4,854
Net current assets		32,913	14,478
Total assets less current liabilities		1,130,924	990,777
Total net assets		1,130,924	990,777
Funds of the charity			
Unrestricted funds		843,213	841,471
Revaluation reserve		287,711	149,306
Total unrestricted funds		1,130,924	990,777
Total funds		1,130,924	990,777

Signed by one trustee on behalf of all the trustees

Name: John Lane
15 July 2020

NOTES TO THE ACCOUNTS

FOR THE YEAR FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

1. Basis of preparation

1.1 Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with:

- the Statement of Recommended Practice: 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) issued on 16 July 2014
- and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)
- and with the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

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 (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

1.2 Going concern

The average annual results of the charity over the past 5 years are as follows:-

	£
- Average annual income	38,250
- Average annual grant and grant support expenditure	(35,024)
- Average annual fundraising and governance expenditure	(10,565)
	<hr/>
- Average net expenditure before investment gains and losses	(7,339)
- Average annual investment gains	37,049
	<hr/>
- Average annual net surplus per annum	29,710
	<hr/>

These figures when taken in conjunction with the net assets of the charity and the trustees' procedure of reviewing investment performance annually and then setting annual grant budgets gives the trustees confidence that the charity will continue as a going concern for the foreseeable future.

1.3 Change of accounting policy

The accounts present a true and fair view and the accounting policies adopted are those outlined in note 2. There has been no change to the accounting policies used in the previous year.

1.4 Changes to accounting estimates

No changes to accounting estimates have occurred in the reporting period.

1.5 Material prior year errors

No material prior year errors have been identified in the reporting period.

NOTES TO THE ACCOUNTS

FOR THE YEAR FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

2. Accounting policies

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

2.1 Income

Recognition of income

These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- it is more likely than not that the charity will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

Income from interest and dividends

These are included in the accounts when receipt is probable and the amount receivable can be measured reliably. Income received with recoverable tax credits attached are reported gross under incoming resources and any unrecovered tax at the year end is included in debtors. The accrued interest included in the sale and purchase of treasury stocks and corporate bonds is included in investment income in the SoFA on the date of the sale or purchase.

Investment gains and losses

This includes any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

2.2 Expenditure & liabilities

Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Allocation of costs to different areas of expenditure

Where possible all costs are allocated to the particular area of expenditure to which they relate. If any costs relate to several areas of expenditure then they are split and allocated to the relevant areas of expenditure on an appropriate basis.

Governance costs

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice (including costs relating to the annual general meeting). These costs are included as a charitable activity support cost in the accounts.

Grant commitments with performance conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

NOTES TO THE ACCOUNTS

FOR THE YEAR FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

(Continued)

Grant commitments without performance conditions

Where there are no conditions attaching to the grant that enable the donor charity to realistically avoid the commitment, a liability for the full funding obligation is recognised in the SoFA when the commitment is made.

Creditors

These liabilities are measured at settlement amounts less any trade discounts.

2.3 Assets

Investments

Fixed asset investments in quoted shares, traded bonds and similar investments are initially valued at cost and subsequently at fair value (their market value) at the year end. The valuation of treasury stocks and corporate bonds exclude the value of accrued interest. Fixed asset investments also include capital type cash balances held for investment or reinvestment by the investment manager.

Debtors

Debtors are measured on initial recognition at settlement amount after any trade discounts or amounts advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

3. Income & endowments from: investments	<u>2019</u> £	<u>2018</u> £
Income from stocks & shares held in the investment portfolio	38,505	38,077
Interest from cash balances held by the investment manager	7	9
Other income from the investment portfolio	1	-
	<u>38,513</u>	<u>38,086</u>
4. Expenditure on: raising funds - investment management	<u>2019</u> £	<u>2018</u> £
Speirs & Jeffrey portfolio fees	1,228	2,599
Rathbone portfolio fees	1,505	-
Rollits investment support fees	157	-
	<u>2,890</u>	<u>2,599</u>

NOTES TO THE ACCOUNTS

FOR THE YEAR FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

(Continued)

The investment manager charges quarterly portfolio management fees and ad hoc payment request fees. An extra month's portfolio fee is included in the 2019 charges due to a change in the quarterly billing dates when the portfolio was transferred from Speirs & Jeffrey to Rathbones. In addition to these fees (shown above as portfolio fees), the contract notes raised by the investment manager for the purchase and sale of investments included commission charges, compliance charges and Panel of Takeovers and Mergers levy charges. These contract charges are included as part of the purchase cost of investments, or a reduction of the sale proceeds.

Rollits' investment support fees relate to work undertaken to monitor the portfolio and deal with compliance and regulatory matters raised by the investment manager and related correspondence with the other trustees.

5. Expenditure on: charitable activities	<u>2019</u>	<u>2018</u>
	£	£
Hull and East Riding of Yorkshire grants	5,255	19,310
Norwich and Norfolk grants	24,395	23,483
Total grant commitments	29,650	42,793
Grantmaking support costs	3,908	3,119
Governance costs	7,629	11,888
	<u>41,187</u>	<u>57,800</u>

6. Analysis of grant commitments	<u>Grants to</u>	<u>Grants to</u>	<u>Total</u>	<u>Total</u>
	<u>institutions</u>	<u>individuals</u>	<u>2019</u>	<u>2018</u>
	£	£	£	£
<u>Charitable purpose for which grants made</u>				
Advancement of education	-	29,650	29,650	42,793
	-	29,650	29,650	42,793
Total number of grants awarded	-	177	177	348

All grants were made to individuals and groups of individuals in both years. Grants paid generally represent contributions towards the costs of travel to attend educational conferences, lectures and courses, held in the UK or overseas.

NOTES TO THE ACCOUNTS

FOR THE YEAR FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

7. Grantmaking support costs	<u>2019</u>	<u>2018</u>
	£	£
Rollits grantmaking support fees	1,841	1,159
Norfolk administrator's fees	1,500	1,350
Norfolk administrator's office costs	352	395
Website costs	180	180
Information Commissioner's Office annual registration fee	35	35
	<u>3,908</u>	<u>3,119</u>

Grantmaking support costs represent expenses that are directly attributable to the processing and review of grant applications, including:-

- reviewing and maintaining the grantmaking policy, application form and website of the charity.
- checking applications received to ensure they comply with the grantmaking policy.
- correspondence with trustees relating to the review and approval of grant applications.
- arranging payment of grant awards to successful applicants.
- receiving reports from successful applicants after the completion of the events they attended and preparing an annual summary grants report for review by the trustees.

8. Governance costs	<u>2019</u>	<u>2018</u>
	£	£
Trustees expenses	867	875
Independent examiner's fee	960	936
Rollits accounting fees	3,600	3,360
Rollits legal and agm fees	2,202	6,717
	<u>7,629</u>	<u>11,888</u>

Governance costs include all expenditures not directly attributable to the fundraising and grantmaking activities of the charity, such as:-

- providing advice on legal and regulatory matters.
- expenses relating to arranging and attending trustees' meetings.
- maintaining the accounting records of the charity, preparing income tax reclaims, preparing the annual accounts and having them independently examined.
- maintaining the charity's details on the Charity Commission website and completing the annual return.

Governance costs are treated as an indirect cost of the charitable activity of the charity.

9. Fee for examining the accounts	<u>2019</u>	<u>2018</u>
	£	£
Independent examiner's fees for reporting on the accounts	960	936
	<u>960</u>	<u>936</u>

NOTES TO THE ACCOUNTS

FOR THE YEAR FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

10. Gains and losses on investments	<u>2019</u> £	<u>2018</u> £
Gains and (losses) realised during the year	10,546	(8,145)
Gains and (losses) on revaluation at the year end	135,165	(88,121)
Total investment gains and (losses) per the SoFA	145,711	(96,266)

11. Fixed asset investments: movements summary	<u>Cash & cash</u> <u>equivalents</u> £	<u>Listed</u> <u>investments</u> £	<u>2019</u> <u>Total</u> £	<u>2018</u> <u>Total</u> £
Carrying (fair) value at beginning of year	9,479	966,820	976,299	1,097,803
Add: additions to investments during the year	-	54,715	54,715	133,858
Less: disposals at carrying value	-	(61,765)	(61,765)	(166,972)
Add/(deduct): movement due to changes in listed inv'ts	17,597	-	17,597	24,829
Add/(deduct): transfers in/(out) in the year	(24,000)	-	(24,000)	(25,098)
Add/(deduct): net gain/(loss) on revaluation	-	135,165	135,165	(88,121)
Carrying (fair) value at end of year	3,076	1,094,935	1,098,011	976,299

Historic cost analysis of investments held at the year end:

Listed investments	807,224	817,514
Cash held for reinvestment	3,076	9,479
	810,300	826,993

12. Fixed asset investments: valuation analysis	<u>Fair value</u> <u>at year end</u> £	<u>Cost less</u> <u>impairment</u> £
Cash or cash equivalents	3,076	-
Listed investments	1,094,935	-
Total	1,098,011	-

NOTES TO THE ACCOUNTS

FOR THE YEAR FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

13. Fixed asset investments: material holdings	<u>Market value</u> £	<u>Share of total</u> %
<u>Holdings >5% of total listed investments at 31 December 2019</u>		
Murray International Trust Plc	63,000	5.75%
City of London Investment Trust Plc	62,090	5.67%
Bankers Investment Trust Plc	59,640	5.45%
	<u>184,730</u>	<u>16.87%</u>

14. Current assets: debtors	<u>2019</u> £	<u>2018</u> £
<u>Amounts falling due within one year</u>		
Other debtors:- Recoverable income tax	136	150
HMRC tax reclaims	198	158
Dividends due	156	239
Speirs & Jeffrey income account	-	978
Rathbone income account	297	-
	<u>787</u>	<u>1,525</u>

15. Current assets: cash at bank and in hand	<u>2019</u> £	<u>2018</u> £
HSBC community account	16,756	8,285
Lloyds current account	20,589	9,522
	<u>37,345</u>	<u>17,807</u>

16. Creditors and accruals	<u>Amounts falling due within one year</u>		<u>Amounts falling due after one year</u>	
	<u>2019</u> £	<u>2018</u> £	<u>2019</u> £	<u>2018</u> £
Other creditors:- Independent examiner's fee	960	936	-	-
Rollits fees	3,600	3,918	-	-
Brokers fees	659	-	-	-
Total	<u>5,219</u>	<u>4,854</u>	<u>-</u>	<u>-</u>

17. Contingent liabilities and contingent assets

The charity did not have any contingent liabilities or any contingent assets at the reporting date.

NOTES TO THE ACCOUNTS

FOR THE YEAR FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

18. 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 Rollits preparing monthly bank reconciliations for the charity's main bank account and reviewing the value and timing of any pending liabilities.

Exposure to credit risk

The main debtors of the charity are recoverable income tax deducted at source from investment income and the investment income held by the investment manager. The risk of loss arising from H M Revenue & Customs (HMRC) failing to repay the income tax is considered minimal as HMRC is backed by the UK Government. 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.

19. Trustee remuneration & benefits

None of the trustees have been paid any remuneration or received any other benefits from an employment with the charity or a related entity.

20. Trustees' expenses	<u>2019</u>	<u>2018</u>
	£	£
<u>Type of expenses</u>		
Travel	285	280
Subsistence	267	311
Accommodation	315	284
	<u>867</u>	<u>875</u>
	<u> </u>	<u> </u>
Number of trustees reimbursed or had expenses paid by the charity	<u>4</u>	<u>4</u>
	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS

FOR THE YEAR FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

(Continued)

21. Transactions with related parties

<u>Name of trustee or related party</u>	<u>Relationship to charity</u>	<u>Description of the transactions</u>	<u>Balance at</u>		<u>Provision for bad debts at the period end</u>	<u>Amounts written off during the reporting period</u>
			<u>Amount</u>	<u>period end</u>	<u>at the period end</u>	<u>period</u>
			£	£	£	£
Rollits LLP	See below	Rollits services	7,800	3,600	-	-
Martin Needler	See below	Grant commitment	150	-	-	-
			<u>7,950</u>	<u>3,600</u>	<u>-</u>	<u>-</u>

John Lane is a member of Rollits LLP which provides secretarial, administration, governance, investment support, legal and accounting services to the charity. The payment for these charges is authorised by the trust deed. Rollits charges for these services are detailed in notes 4, 7 and 8.

Rollits usually invoices the charity twice annually, in July and January each year, for the services it has provided. The invoices are payable on delivery and the charity settles them by cash payments after they have been authorised in accordance with the procedure agreed by the trustees.

The 2019 grant commitments of the charity include a grant award of £150 to a granddaughter of Martin Needler. Grants of the same value were also awarded to other applicants that applied to attend the same educational event.

22. Post Balance Sheet Events

Non-adjusting event arising from COVID-19

Since the year end, there has been a significant downturn in global financial markets following the outbreak of the COVID-19 virus. The charity's fixed asset investments at 6 July 2020 had reduced in value by approximately 9% from the year end value shown in these accounts. The effect on investment income is as yet unknown but is likely to reduce significantly during the year ended 31 December 2020. In addition, international travel has almost dried up and consequently the trust is likely to receive few if any grant applications in 2020.

The charity has sufficient free reserves to continue funding the travel grant awards that it makes and, should the need arise, these awards can be flexed accordingly, so that the long-term viability of the charity remains unchanged.