
The Hintze Family Charitable Foundation

Report and Financial Statements

For the year ended 31 December 2019

Registered with the Charity Commission
Charity No: 1101842

The Hintze Family Charitable Foundation
Report and financial statements for the year ended 31 December 2019

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The Hintze Family Charitable Foundation
Report and financial statements for the year ended 31 December 2019

Reference and administrative information

Trustees	Sir Michael Hintze Sir Michael Peat Duncan Baxter
Chief Executive	Lady (Dorothy) Hintze
Charity Number	1101842
Secretary	Kate Rees-Doherty
Headquarters	4 th Floor One Strand London WC2N 5HR
Bankers	C Hoare & Co 37 Fleet Street London EC4P 4DQ Credit Suisse (Channel Islands) Limited PO Box 368 St Peter Port Guernsey Channel Islands GY1 3YJ

The Hintze Family Charitable Foundation

Report of the Trustees for the year ended 31 December 2019

The Trustees present their report together with the financial statements of the Foundation for the year ended 31 December 2019. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Structure, governance and management

The Hintze Family Charitable Foundation is constituted under a trust deed dated 23 December 2003 and is registered with the Charity Commission for England and Wales under charity no. 1101842 with effect from 30 January 2004. The Foundation is based in the UK with its office in London.

The power to appoint new Trustees rests with the Board of Trustees. The Trust Deed requires there to be a minimum of three Trustees appointed at any one time. On appointment, the administration and management processes of the Foundation are explained to the new trustee. Apart from the founding trustee, each trustee must retire from their position after three years, but may be re-elected.

The Trustees are required to hold at least two ordinary meetings during the year. Three trustee meetings were held during 2019. At these meetings, the Trustees agree the broad strategy and areas of activity for the Foundation, including grant making, investment, reserves, risk management policies and performance.

No trustee remuneration is paid and no trustee expenses were paid during 2019. Related party transactions are disclosed in note 11 to the financial statements. Trustees are required to disclose all relevant interests and register them with the Chief Executive and, in accordance with the Foundation's policy, withdraw from decisions where a conflict of interest arises.

The day-to-day administration of the Foundation is delegated to the Chief Executive and the Secretary. Dorothy, Lady Hintze was the Chief Executive of the Foundation throughout the year. The Foundation employs no other staff. The services of the Foundation's secretary and accountancy and administrative support are provided by CQS (UK) LLP and CQS Jersey Limited (together "CQS"). The Trustees agreed with CQS that such services should be charged from 6 April 2019 onwards (in prior years, CQS did not charge for such services). Service agreements were executed by CQS and the Trustees in 2020 confirming the commercial arrangement.

Constitution and objectives

The principal objectives of the Foundation are, for the public benefit:

- to advance education by supporting schools, colleges and universities;
- to support museums, libraries and art galleries and in particular to promote access for the general public to works of artistic, scientific, historic, architectural or cultural importance;
- to support the Christian faith and institutions;
- to relieve sickness and protect and preserve public health through projects to benefit the sick and terminally ill; and
- to further such other purposes which are charitable in accordance with the laws of England and Wales as the Trustees think fit provided that in so doing the charity shall not relieve any local authority or other body from its statutory obligations.

The Hintze Family Charitable Foundation
Report of the Trustees for the year ended 31 December 2019 (continued)

Grant making policy

The Foundation invites applications for grants from charities which further the objectives of the Foundation. No specific format is required for applications. Applications and potential donations identified by the Chief Executive and the Trustees are considered at Trustees' meetings and between meetings.

Review of activities for the public benefit

The Trustees have paid due regard to the Charity Commission's guidance on Public Benefit in deciding what activities the Foundation should undertake. The Trustees are satisfied that the Foundation met its objectives during the period.

The Foundation does not undertake any fund-raising activities and makes grants to meet its charitable objectives from unsolicited donations and from its investments.

During the period the Foundation pledged £3,958,852 (2018: £1,246,891). Commitments of £50,000 or more were pledged to the following charities.

Educational

- 1) USD 125,000 (to be paid over 3 years) to the Friends of Harvard University.
- 2) £250,000 (£50,000 per annum over five years) to the GLF Global Leadership Foundation.
- 3) £50,000 (paid in full during 2018) to the Princes Teaching Institute.

Cultural/Arts

- 4) AUD 5,000,000 (AUD 1,000,000 per annum over five years) to The Australian Museum.
- 5) £223,000 (to be paid over 3 years) to The V&A Foundation.

Armed Services

- 6) £250,000 (to be paid over 5 years) to The Royal United Services Institute for Defence and Security Studies.

Health

- 7) USD 105,000 (paid in full during 2019) to YouBelong.

Religious

- 8) EUR 240,000 (EUR 80,000 per annum over three years) to The International Theological Institute.

Financial review, reserves and investment strategy

During the year the Foundation distributed donations of £3,999,797 (2018: £4,976,768), of which £2,977,139 (2018: £4,513,988) was committed in previous years. At year end, the Foundation was committed to £8,214,108 (2018: £8,200,051) of donations over the next 13 years.

Total support costs were £246,051 (2018: £39,014) during the year and predominately relate to staff and consultancy.

The Hintze Family Charitable Foundation
Report of the Trustees for the year ended 31 December 2019 (continued)

Investment strategy

The investment strategy takes into account the income requirements of the Foundation while maximising, within the Foundation's risk approach, returns for future donations.

The Foundation has two directly held securities listed on the London Stock Exchange, and investments in the CQS Credit Multi Asset Fund and Directional Opportunities Fund. The combined value of all investments was £6,019,243 (2018: £7,842,619).

Under the Trust Deed a Trustee must absent himself or herself from any discussions of the Trustees in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the Foundation and any personal interest (including but not limited to any personal financial interest). Regarding the investments in the CQS funds, by virtue of his ultimate beneficial ownership of the CQS group, Sir Michael Hintze duly disclosed his interest and was excluded from all discussions and decisions in relation to the investments. After careful consideration the funds were considered the best investment option by the other Trustees, in comparison to other options available, in terms of performance, risk, currency, liquidity and suitability in relation to the Foundation's pledges and other creditor obligations in line with the Foundation's approved procedures.

The Foundation makes distributions in accordance with its grant making policy. Further details of investments may be found in note 8 to the financial statements.

The Trustees review the Foundation's investments on a regular basis and remain of the view that over the medium term the portfolio will provide a satisfactory return.

There are no restrictions on the Foundation's power to invest.

Reserves policy

As at 31 December 2019 the Foundation had reserves of £364,206 (2018: £183,601) held as unrestricted funds. The reserves provide a pool of funds to support future pledges. The Trustees do not set a target level for reserves but review them regularly to ensure that resources are available to cover pledges.

Risk management

The Trustees identify and review the major risks which the Foundation faces on a regular basis and are satisfied that systems and procedures are in place to manage those risks.

Statement of policy on fundraising

The Trustees do not undertake any fundraising activities, although they can accept offers to contribute to work that they undertake. The Trustees show these sums in the accounts as "voluntary income". The Trustees do not use professional fundraisers or 'commercial participators' or indeed any third parties to solicit donations. The Trustees are therefore not subject to any regulatory scheme or relevant codes of practice, nor have they received any complaints in relation to fundraising activities nor do the Trustees consider it necessary to design specific procedures to monitor such activities.

Future plans

The Trustees plan to continue to make distributions in accordance with their grant making policy and to ensure that an appropriate level of reserves is maintained.

The Hintze Family Charitable Foundation
Report of the Trustees for the year ended 31 December 2019 (continued)

Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on the 31 Nov 2020 and signed on their behalf by:



Sir Michael Hintze
Trustee

Sir Michael Peat
Trustee



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HINTZE FAMILY CHARITABLE FOUNDATION

Opinion

We have audited the financial statements of The Hintze Family Charitable Foundation (the 'charity') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Other matters

Without qualifying our opinion, we would like to draw your attention to the fact that the prior year financial statements are unaudited.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 5 the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The Hintze Family Charitable Foundation
Report of the independent auditors 2019 (continued)

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Russell Joseph (Senior Statutory Auditor)
For and on behalf of Bournier Bullock, Statutory Auditor

Sovereign House
212-224 Shaftesbury Avenue
London
WC2H 8HQ

Date ..3/11/20..

Bournier Bullock is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

The Hintze Family Charitable Foundation
Statement of Financial Activities for the year ended 31 December 2019

	Note	2019 £	2018 £
Income			
Donations:			
Voluntary income	2	3,380,925	-
Investment income	3	12,330	9,308
Total Income		3,393,255	9,308
Expenditure			
Charitable expenditure	7	(4,051,394)	(1,621,468)
Other charges	4	(679)	(614)
Total Expenditure		(4,052,073)	(1,622,082)
Net Gains on investment assets	8	839,423	208,253
Net gain/(loss)		180,605	(1,404,521)
Funds brought forward		183,601	1,588,122
Total Funds carried forward		364,206	183,601

All retained funds are unrestricted.


All amounts relate to continuing activities.


The notes on pages 12 to 19 form part of these financial statements.

The Hintze Family Charitable Foundation
Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	8	<u>6,019,243</u>	<u>7,842,619</u>
Current assets			
Debtors: amounts falling due within one year	9	2,134,533	1,000
Cash at bank		299,469	528,982
Creditors: amounts falling due within one year	10	<u>(4,286,370)</u>	<u>(3,657,269)</u>
Net current liabilities		(1,852,368)	(4,715,332)
Debtors: amounts falling due after more than one year	9	200,000	12,158
Creditors: amounts falling due after more than one year	10	<u>(4,002,669)</u>	<u>(4,543,889)</u>
Total net assets		<u>364,206</u>	<u>183,601</u>
Unrestricted funds		<u>364,206</u>	<u>183,601</u>

Approved by the Trustees on 31 Nov 2020 and signed on their behalf and authorised for issue by:


 Sir Michael Hintze
 Trustee


 Sir Michael Peat
 Trustee

The notes on pages 12 to 19 form part of these financial statements.

The Hintze Family Charitable Foundation
Statement of Cash Flows for the year ended 31 December 2019

	2019	2018
	£	£
<i>Net gain/(loss) for the year</i>	180,605	(1,404,521)
Adjustments for:		
Net gains on investments	(839,423)	(208,253)
Investment income	(12,330)	(9,308)
(Increase)/decrease in debtors	(2,321,375)	11,845
Increase/(decrease) in creditors	87,881	(3,496,305)
Foreign exchange (gain)/loss on bank accounts and creditors	(74,635)	296,960
Cash flows from operating activities:		
<i>Net cash (used in) / from operating activities</i>	(2,979,277)	(4,809,582)
Cash flows from investing activities:		
Dividends and interest from investments	12,330	9,308
Proceeds from sale of investments	3,914,693	5,547,502
Purchase of investments	(1,251,894)	(5,510)
<i>Net cash from investing activities</i>	2,675,129	5,551,300
<i>Change in cash and cash equivalents in the reporting period</i>	(304,148)	741,718
Non cash flow movement due to foreign exchange	74,635	(296,960)
Cash and cash equivalents at the beginning of the reporting period	528,982	84,224
<i>Cash and cash equivalents at the end of the reporting period</i>	299,469	528,982
Analysis of cash and cash equivalents		
	2019	2018
	£	£
Cash at bank	299,469	528,982
<i>Total cash and cash equivalents</i>	299,469	528,982

1. Principal accounting policies

(a) Accounting conventions

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of investments at market value.

The financial statements 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 (effective 1 January 2015), the Charities SORP (FRS102) and the Charities Act 2011.

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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition)' rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Foundation constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared on the going concern basis which assumes that The Hintze Family Charitable Foundation will continue in operational existence for the foreseeable future. The Board of Trustees have considered the working capital and cash flow requirements and consider that the current and forecast cash resources are sufficient to cover the working capital requirements of the Foundation for at least 12 months.

The prior year figures are unaudited.

(b) Fund accounting

Funds held by the Foundation are unrestricted general funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

(c) Fixed asset investments

Fixed asset investments are included at closing market values at the balance sheet date or at the Trustees' estimated value where there is no market value. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

(d) Financial instruments

Basic financial instruments, which include debtors, creditors, 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.

The Foundation only has basic financial instruments.

(e) Debtors

Basic financial assets, including receivables from donors and other debtors, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

(f) Income

Income from donations is included in incoming resources when receivable. Gifts in kind comprising listed securities are marked to market on the date of receipt.

Donated services and facilities have not been included in the accounts as they are not material in the context of the accounts.

(g) Investment income

Investment income is accounted for in the period in which it becomes due to the Foundation.

(h) Expenditure

Expenditure is included on an accruals basis. Grants payable are recognised as expenditure in the year in which the Foundation becomes legally obliged or enters into a non-legally binding commitment to make payment.

(i) Foreign currencies

Transactions in foreign currencies are recorded at the rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the balance sheet date. All foreign exchange differences are taken to the Statement of Financial Activities, and are allocated to the particular commitment to which they relate or, if unrelated to a particular commitment, pro rata to the total charitable commitments entered into during the year.

(j) Realised and unrealised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and cost. Unrealised gains and losses are calculated as the difference between market or Trustees' valuation at the year end and opening market or Trustees' valuations or at cost if acquired during the year. Changes in unrealised gains and losses reflect the changes in market or Trustees' valuations during the reporting period, and the write-back of previously recorded unrealised gains and losses when the investments are sold.

Realised and unrealised gains are not shown separately in the Statement of Financial Activities.

(k) Grant commitments

In the case of an unconditional grant offer this is recognised once the recipient has been notified of the grant award. Grant creditors are classified as amounts falling due within one year or amounts falling due after one year based on the payment dates to be made. FRS102 requires Trustees to apply discount rates to longer term charitable commitments (those to be made more than one year after the balance sheet date) to restate them at their present values.

2 Voluntary Income

	Unrestricted Funds 2019 £	Unrestricted Funds 2018 £
Donations, Grants and Gifts from Trustees	3,264,001	-
Donations, Grants and Gifts	116,924	-
	<hr/>	<hr/>
	3,380,925	-
	<hr/>	<hr/>

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2019 (continued)

3 Investment Income

	2019	2018
	£	£
Investments managed by Trustees:		
Equities	7,566	9,308
Loans	4,764	-
	<hr/>	<hr/>
Total Investment Income	12,330	9,308
	<hr/>	<hr/>

Investment income consists of interest earned on loans, and dividends received from equities and fund investments.

4 Other Charges

	2019	2018
	£	£
Bank and broker charges	644	491
Investment Portfolio charges	35	123
	<hr/>	<hr/>
	679	614
	<hr/>	<hr/>

5 Allocation of support costs

Support costs allocable to Charitable Activities are as follows:

	2019	2018
	£	£
Staff costs (see note 6)	31,746	32,453
Consultancy costs	4,500	7,295
Administration Charges	66,674	-
Other	2,296	1,576
Foreign exchange (gain) /loss not directly allocated	133,875	(2,310)
Auditors' remuneration	6,960	-
	<hr/>	<hr/>
	246,051	39,014
	<hr/>	<hr/>

Consultancy costs relate to administration services. Support costs are attributed to individual grants pro rata to each grant's financial amount, as stated in note 7.

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2019 (continued)

6 Staff costs

	2019	2018
	£	£
Salary	30,967	32,190
Employer's National Insurance & Pension Contributions	779	263
	<u>31,746</u>	<u>32,453</u>

There was one employee during the period (2018: one): Dorothy, Lady Hintze, the Chief Executive. Lady Hintze is the wife of Sir Michael Hintze, a Trustee of the Foundation. Trustees received no remuneration and were not reimbursed for any expenses.

7 Expenditure

	Charitable Commitments	Foreign Exchange	Support Costs	Total 2019	Total 2018
	£	£	£	£	£
Armed Services	280,075	-	16,104	296,179	292,714
Cultural/Arts	3,009,110	(97,115)	188,097	3,100,092	792,541
Educational	450,296	(102,977)	25,086	372,405	381,148
Health	100,007	(1,943)	6,147	104,211	211,302
Religious	274,163	(6,475)	16,826	284,514	36,816
Social/Environment	(99,798)	-	(6,209)	(106,007)	(93,053)
	<u>4,013,853</u>	<u>(208,510)</u>	<u>246,051</u>	<u>4,051,394</u>	<u>1,621,468</u>
Net charitable donations and commitments					

	2019	2018
	Number	Number
Number of institutions receiving charitable commitments	38	55

The charitable commitments of £4,013,853 is the sum of the donations and charitable commitments of £3,958,852 (2018: £1,246,891) which represent legally obligated and committed charitable grants made during the year and the net discounting charge of £55,001 (2018: £36,293). Of the commitments pledged in 2019, £2,936,194 (2018: £784,112) will be paid in future years.

To comply with FRS102, the outstanding grant commitments, including those pledged in prior years, have been discounted to their present value which has resulted in a net charge of £55,001. The charge has arisen primarily because as the payment dates for pledges made before 2019 become closer, the overall discount on all outstanding pledges reduces.

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2019 (continued)

8 Fixed Asset Investments

	2019	2018
	£	£
Market value brought forward	7,842,619	13,176,358
Investments managed by Trustees:		
Acquisitions at cost	1,251,894	5,510
Proceeds from sale of investments	(3,914,694)	(5,547,502)
Net gain / (loss) on revaluation *	938,550	(195,137)
Net (loss) / gain on foreign exchange *	(99,126)	(403,390)
	<u>6,019,243</u>	<u>7,842,619</u>
Market value carried forward	<u>6,019,243</u>	<u>7,842,619</u>
Historical Cost	<u>5,006,802</u>	<u>6,044,082</u>

* The net gain on investment assets is £839,423 (2018: £208,253) which are the total of net (loss) / gain on revaluation and net gain / (loss) on foreign exchange.

Investments comprise:

	2019	2018
	£	£
Investments managed by Trustees:		
Equities	-	147,598
CQS Credit Multi Asset Fund	1,828,874	2,407,876
CQS Directional Opportunities Fund	4,190,369	5,287,145
	<u>6,019,243</u>	<u>7,842,619</u>
Market value carried forward	<u>6,019,243</u>	<u>7,842,619</u>

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2019 (continued)

9 Debtors

	2019	2018
	£	£
Amounts due within one year:		
Prepayments	2,498	1,000
Receivable from donor	2,115,585	-
Loans	16,450	-
	<u>2,134,533</u>	<u>1,000</u>
Amounts due after more than one year:		
Loans	200,000	12,158
	<u>200,000</u>	<u>13,158</u>

10 Creditors

	2019	2018
	£	£
Amounts due within one year:		
Charitable commitments	4,211,440	3,656,162
Other creditors	74,930	1,107
	<u>4,286,370</u>	<u>3,657,269</u>
Amounts due after more than one year:		
Charitable commitments	4,002,669	4,543,889
	<u>8,289,038</u>	<u>8,201,158</u>

To comply with FRS102 all grant commitments not due to be fulfilled within one year have been discounted to their present value. The pre-discounting amount of the commitments was £8,302,965 (2018: £8,343,909). The increase in charitable expenditure in the year was £55,001 (2018: £36,293).

11 Related party transactions

The Foundation makes commitments and donations to a number of charities that one or more Trustees have a particular interest in. The Foundation operates a conflicts policy that requires all actual or potential conflicts of interest to be disclosed at Trustee meetings. The Trust Deed requires that a Trustee must absent his or herself from any discussions of the Trustees in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the Foundation.

In line with the Trust Deed Sir Michael Hintze, a Trustee of the Foundation, duly disclosed his interests in relation to the related party transactions disclosed here and absented himself from all discussions and decisions in relation to the potential investments and donations:

- Services by CQS (UK) LLP and CQS Jersey Limited thereafter, of which Sir Michael Hintze is the ultimate beneficial owner. CQS (UK) LLP charged £59,791 (2018: nil) and CQS Jersey Limited charged £6,882 (2018: nil) for services provided to the Foundation during the year. The balance remaining to be paid at the year-end to CQS (UK) LLP was £59,791 (2018: nil) and to CQS Jersey Limited £6,882 (2018: nil).

- Investments have been made into the following funds of the CQS group (of which Sir Michael Hintze is the ultimate beneficial owner) detailed below. After careful consideration the funds were considered the best investment options by the other Trustees in comparison with other options available, taking into account performance, risk, currency, liquidity and suitability in relation to the Foundation's pledges and other creditor obligations.

During the year the net redemption in USD in the CQS Credit Multi Asset Fund was (£1,274,839) (2018: £1,892,502) and the value of the investment was £nil (2018: £1,215,775) at the year end.

During the year the net redemption in GBP in the CQS Credit Multi Asset Fund was (£1,237,595) (2018: £3,655,000) and the value of the investment was £nil (2018: £1,192,102) at the year end.

During the year the net investment in GBP in the CQS Directional Opportunities Fund Limited was £nil (2018: £nil) and the value of the investment was £4,190,369 (2018: £3,655,249) at the year end.

During the year the net investment in USD in the CQS Directional Opportunities Fund Limited was £nil (2018: £nil) and the value of the investment was £1,828,873 (2018: £1,631,895) at the year end.

- There were no new grants made during the year to The Institute of Economic Affairs Limited, a UK registered charity of which Sir Michael Hintze is a Trustee (2018: £nil). The balance remaining to be paid at the year-end was £nil (2018: £50,000).

- Sir Michael Hintze is a Trustee of the National Portrait Gallery. During the year a grant commitment of £nil was made (2018: £250,000). The overall commitment remaining to be paid at the year-end was £250,000 (2018: £250,000).

- Sir Michael Hintze is the Senior Vice-Patron of the Royal Navy & Royal Marines Charity. During the year a grant commitment of £nil (2018: £111,166) was made. The overall commitment remaining to be paid at the year-end was £1,110,666 (2018: £1,235,666).

11 Related party transactions (continued)

- There were no new grant commitments made during the year to The Prince's Trust Australia, an Australian registered charity of which Sir Michael Hintze is a patron (2018: £nil (AUD nil)). The balance remaining to be paid at the year-end was £nil (AUD nil) (2018: £43,113 (AUD 75,000)).

- During the year Sir Michael Hintze made voluntary donations to the Foundation of £3,264,001 (2018: £nil) to assist the Foundation with furtherance of its principal objectives.

12. Post balance sheet events

On 30 January 2020 the World Health Organisation declared the outbreak of the Coronavirus (Covid-19) pandemic to be a public health emergency of international concern. This is a non-adjusting subsequent event, as it does not impact the valuation of assets as at the year-end date.

Since the year-end, due to the global impact of the Coronavirus (Covid-19) pandemic, the value of investments, assets and liabilities have been impacted. It is not possible, at this time, to quantify the change in market value in a meaningful way, due to ongoing volatility as the situation is fluid and unpredictable. The Trustees are reviewing the impact of the pandemic on the operations of the Foundation on a regular basis and are taking measures to ensure the risks faced are mitigated.

There have not been any adjusting events since the balance sheet date.