

THE CECIL AND ALAN PILKINGTON TRUST FUND
(Registered Charity No: 237623)

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

THE CECIL AND ALAN PILKINGTON TRUST FUND

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THE CECIL AND ALAN PILKINGTON TRUST FUND

Trustees' report for the year ended 31 March 2020

Administrative information

Directors of trustee companies	Lady Pilkington (Kirsty)
	Mr P H Grunwell (<i>resigned 05 November 2019</i>)
	Mr D J Bricknell
	Mr J A S Pilkington
	Mr D.C. Pilkington
	Mr J McKenna
	Mr J Money
	Ms J Halligan
	Ms J Tomkinson (<i>appointed 27 February 2020</i>)
Executive officer	Mr P Morgan
Senior management	Ms K Greenhalgh
	Mrs J Mafi
	Mrs D Swift
	Mrs J Knowles
Principal office	Enterprise Offices Salisbury Street St Helens Merseyside WA10 1FY
Charity number	237623
Auditors	Livesey Spottiswood Limited 17 George Street St Helens Merseyside WA10 1DB
Bank	National Westminster Bank Plc Ormskirk Street St Helens Merseyside WA10 1DR
Investment managers	CCLA Senator House 85 Queen Victoria St London EC4V 4ET
	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU

THE CECIL AND ALAN PILKINGTON TRUST FUND

Trustees' report for the year ended 31 March 2020 (continued)

The trustees present their report along with the financial statements of the Charity for the year ended 31 March 2020. The financial statements have been prepared in accordance with the accounting policies set out on pages 15 to 16 and comply with the Charity's Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Structure, governance and management

The Cecil and Alan Pilkington Trust Fund (Registered Charity No: 237623) is an expendable endowment fund. The Trust Fund also works under the umbrella name of The Pilkington Family Trust.

The Trust Fund is an amalgamation (7th July, 1977) of the following Deeds:

- **Alan Douglas Pilkington** Trust Fund (Founding Deed 11th June 1948)
- **Alfred Cecil Pilkington** Trust Fund (Founding Deed 1st May 1937)

The Trust Fund provides assistance, to those in necessitous circumstances, for the benefit of the employees and ex-employees of Pilkington Brothers Ltd or its successors in business and their dependents. The Trust does not actively fundraise but seeks to continue the work through the planning and management of its resources. Under the Trust Deed the trustees have absolute discretion and unrestricted powers of investment.

The following limited companies acted as trustees throughout the year to 31 March 2020:

- **Pilkington Employees' Trustee (No.1) Limited** (Company Registration No: 01161784)
- **Pilkington Employees' Trustee (No.2) Limited** (Company Registration No: 01161785)

The directors of the trustee companies are appointed by the Board of the trustee companies. The directors of the trustee companies meet three times a year to agree the broad strategy and areas of activity for the Trust.

The Investment Committee assists the directors of the trustee companies in the consideration of the investment, reserves and risk management policies and performance. The following directors of the trustee companies were members of the Investment Committee during the year:

- Mr D J Bricknell
- Mr P H Grunwell
- Mr J McKenna
- Mr J Money

The management of the Trust is carried out by Pilkington Retirement Services Limited (P.R.S.L), set up as a management company to administer the community care programme.

The following directors of the trustee companies were also members of the P.R.S.L Board.

- Mr D J Bricknell
- Mr J McKenna

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Trustees' report for the year ended 31 March 2020 (continued)

The day to day administration of the community care programme and the resources is delegated to the Executive Officer who is the Managing Director of P.R.S.L. and its employees.

The induction process for any newly appointed director of the trustee companies comprises an in depth briefing and training programme to provide an overview of all aspects of the work of the Charity, and includes experience of service delivery. The officers of the Charity provide key information on managing the Trust, which includes:

- Trust deeds and associated documentation
- trustees' powers and responsibilities
- investment and financial structure
- management structure and staffing
- the scope and breadth of the community care programme and the end users

All trustees of the Charity and directors of the board give their time voluntarily and receive no benefits in that capacity. Allowable travel expenses may be claimed and are disclosed in the accounts.

Key management personnel remuneration

The trustees consider the Executive Officer and senior management as the key personnel in charge of running and operating the charity on a day to day basis.

The pay for key personnel is encompassed within the pay review system for all of the Charity's staff. The trustees review appropriate pay research and the union pay claim, consider recommendations and propose an increase which is negotiated with the union representatives. Once agreed, the pay award is implemented for all staff, including key personnel.

Objectives and activities

The objectives of the Charity are to provide financial assistance for those in necessitous circumstances being employees, ex-employees and dependants of employees and ex-employees of Pilkington Brothers Ltd or its successors in business and its subsidiaries. At 31 March 2020, there were 7714 people retired and eligible to receive services, including spouses of employees and have not worked for the company.

The Trust Fund's mission statement is '*There to care when care is needed*'. To achieve this, the Charity has developed a community care programme to support those individuals in the greatest need. The main purpose of the programme is to enable people to live as fulfilled a life as possible by supporting them to keep mentally and physically active. The programme aims to maintain contact with all beneficiaries to help keep people living independently.

The objectives for the year support the strategic aims and help to ensure the trustees' objectives are met in an efficient and effective way. When setting objectives the trustees have given due regard to Charity Commission guidance relating to public benefit.

THE CECIL AND ALAN PILKINGTON TRUST FUND

Trustees' report for the year ended 31 March 2020 (continued)

The Trust looks to achieve its aims by maintaining a strong organisational structure, promoting good industrial relations with its staff through periods of change and ensuring effective delivery of services.

The Trust provides a number of benefits, ranging from financial grants to providing emotional and practical support for everyday living, to the most vulnerable older people.

A dedicated respite service is available in St Helens to all retirees living in the UK.

Achievements and performance in the year

We successfully recruited a new director to the boards of the trustee companies. Jane Tomkinson, appointed 27 February 2020, is Chief Executive of a local large hospital trust and a qualified accountant, and brings a wealth of knowledge and experience to the Trust. This is the third trustee appointment in three years which helps to rebalance the age profile of the trustees and ensure an appropriate skill mix. This will support the Trust in taking forward the strong governance arrangements already in place.

The move to new office premises last year has been a success and has reduced the administrative burden on the senior management team. After the move, we undertook the arduous task of disentangling from our previous lease. Working with independent advisors we reached a final agreement and achieved savings of almost £50,000 compared to the original settlement figure demanded by the landlord.

One goal for the year was to strengthen joint working with Willowbrook Hospice, which sought to be more involved in dementia services. After a joint meeting of senior managers, the Trust agreed to share the practice model for our established dementia team. The Trust hires space from the Hospice for monthly afternoon tea meeting for our dementia group. The plan is to develop weekly activities and work with the Hospice to integrate their clients.

Following consultation with Dementia UK about expanding our Admiral Nurse scheme, they successfully bid for a contract to deliver services in the Midlands. A scheme is now in place in Sandwell which local Pilkington retirees can access.

The Trust reviewed transport services and the utilisation of our fleet of vehicles in St Helens. Following consultation with staff there are plans to extend the transport service on an ad hoc basis to provide day trips for beneficiaries. The Trust continues to support regional groups with dedicated budgets for outings.

A substantial increase in the budget for South Africa will see the much needed food vouchers distributed on a more regular basis

Beneficiary numbers continue to decrease on an annual basis in all locations. The coronavirus has sadly affected a number of our beneficiaries. It is too early to assess the impact on our numbers due to reporting lags. At 31 March 2020 we had 7714 beneficiaries in the UK on our records.

THE CECIL AND ALAN PILKINGTON TRUST FUND

Trustees' report for the year ended 31 March 2020 (continued)

Pressures on local authority funding across the UK has led to reductions in community services. In response to this we have earmarked funds to provide personal care in the home, a new area of funding by the Trust.

The Ruskin Lodge Respite Care Home has received positive feedback from all statutory inspections. Some major refurbishment work was undertaken at the care home during the year. All carpets in corridor areas and all hard floor surfaces throughout the building were replaced. The work was undertaken when the building was closed for staff training.

COVID 19

The coronavirus presents all organisations with challenges. Since February 2020, the Trust has responded to national guidance and made significant changes to services, in particular:

- all beneficiaries have been contacted throughout the course of the pandemic. Wellness phone calls have been very well received and referrals have been made to other support services when appropriate
- non-essential contact and services with beneficiaries in their own homes were stopped
- we have continued to provide much needed hot and frozen meals to our most vulnerable beneficiaries. We increased our delivery runs from two to six to meet the higher demand for the service and we will continue until it becomes no longer viable.
- The Trust's staff have worked with community care providers to continue or adapt services to meet needs identified
- the respite facility in St Helens has been closed temporarily to protect beneficiaries and staff from undue risk. We will reopen when clear medical evidence supports us to do so safely
- 27 staff have been furloughed
- many of our office based staff have worked from home.

Financial Review

The Trust is reliant on the income from its investments. Investment income is supplemented by contributions towards the services the Trust provides, through support from donations and a general grant from the Pilkington Charities Fund. The Trust also received other restricted donations to support additional work in South Africa. Investment income of £3,182,453, together with support from other sources, funded all of the key programmes of the Trust in the financial year.

The reserves position of the Trust is strong. However, there is uncertainty due to the COVID 19 pandemic. The accounts reflect a significant fall in the market value of the Trust's investments during the financial year. There was no significant impact on the Trust's income and expenditure in this financial year. Operational changes made in response to government guidance in late March 2020 mainly affects expenditure after the year end. Work is ongoing to assess the impact of COVID 19 on the Trust's services and spending requirements for 2020/21 and future years.

THE CECIL AND ALAN PILKINGTON TRUST FUND

Trustees' report for the year ended 31 March 2020 (continued)

The trustees remain confident that the Trust will have sufficient resources from cash balances and expected income to meet spending requirements for the next 12 months. The Trust holds higher cash balances than normal and has increased the focus on managing cash flow. The trustees and the Trust's accountant are working closely with the Trust's specialist advisors to assess the impact on investment values and expected income. If the trustees anticipate the need for disinvestment this will be undertaken in a planned way with our investment managers to minimise financial risk.

Investment policy and performance

There are no restrictions on the Charity's power to invest. The trustees have adopted a policy to achieve the optimum return from a broad spread of investments and have not imposed restrictions on the type of investments in the portfolio. The policy is to adopt a medium/high risk investment strategy based on income generation with potential for capital growth.

The investment managers are set the objective of achieving a return of not less than CPI + 3.5% over a 5 year period.

The rolling 5 year annualised performance, to 31 December 2019, compared to the objective return of 5.17% (after fees) was:

- Rathbone Investment Management: 6.00% per annum.
- Tilney Investment Management: 4.95% per annum.

In November 2019, following a benchmarking exercise, the trustees decided to change investment managers and move to managed charity endowment funds. CCLA and Sarasin & Partners replaced Tilney Investment Management and Rathbone Investment Management. The Trust was settled into the new arrangements by 12 February 2020. The Trust retains a small residual holding with Tilney Investment Management until the next trading opportunity.

The investment manager changes took place shortly before stock markets fell sharply in late February 2020, due to concerns over the impact of the coronavirus pandemic on the world economy. The accounts show a fall in the market value of the Trust's investments as at 31 March 2020 to £11,527,096 below cost. At the 31 May 2020, the market valuation of the Trust's investments had increased. However, investments markets are volatile and there is considerable uncertainty.

The Trust's current investment managers are working to a total returns approach to achieve the targets set by the trustees. The trustees are working closely with the investment managers to identify and assess the potential impact of COVID 19 on total returns from investments. The Trust's investment managers have expressed confidence that budgeted income distributions for the funds will be maintained for 2020. The trustees' view is that the changes made to the Trust's investment management during the year has reduced the impact of the COVID 19 crisis on the capital value and expected income.

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Trustees' report for the year ended 31 March 2020 (continued)

The trustees will continue to review performance through close working with specialist advisors, information scrutinised by the Investment Committee and reports from an external monitoring company.

Risk management

The trustees review the financial and operational risks to which the charity may be exposed and the systems put in place to mitigate those risks.

A list of the risks, potential impact and the steps taken to mitigate the risks is regularly reviewed. The principal risk faced by the Trust is the performance of the investments to provide the funding for the services. This is mitigated by retaining expert investment managers, having a diversified portfolio and monitoring the performance through the Investment Committee.

The trustees have reviewed the emerging risks presented by COVID 19 pandemic and the actions being taken to mitigate the risks. Work is ongoing and includes:

Risk to services and beneficiaries

Action to mitigate the risks includes: the temporary closure of Ruskin Lodge; changes to the community care programme (stopping non-essential services in beneficiaries' homes, maintaining contact with beneficiaries by phone and adapting service provision to meet identified needs).

Risk to the health and safety of the Trust's staff

Action taken to mitigate the risks includes all office based staff working from home where they can; working with the landlord to introduce new measures to ensure health and safety in the office environment; and developing policies and risk assessments to support home working.

Risk to income to fund services

Action taken by the Trustees to mitigate the risks includes the trustees working closely with the Trust's specialist advisors to assess the impact on income yield and total returns from investments and to respond to developments, holding higher cash balances, increased scrutiny of cash flow.

Reserves policy

As an endowed charity it is acknowledged by the trustees that the Trust Deed allows the expenditure of both capital and income to meet the charitable objectives.

The trustees consider it important that the capital value of the funds is maintained to generate revenue returns that will largely fund the community care programme, increases in capital returns being used to supplement any shortfall in revenue.

Annual returns are used to fund the on-going programmes and are supplemented by the cumulative income reserve. At 31 March 2020 the balance on the reserve was £7,615,228 and the Trust also had restricted funds of £20,907.

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Trustees' report for the year ended 31 March 2020 (continued)

The capital endowed reserves, which at 31 March 2020 were £73,002,691 (2019: £81,093,712), are used to generate the annual income but are available to be used on projects as agreed by the trustees.

Plans for the future

Given the considerable uncertainty over the timescales and external factors due to COVID 19, the Trust has shelved plans for making any major changes.

The focus is on providing the support needed by the Trust's beneficiaries in a safe and effective way. The trustees are working with the Executive Officer and his team to assess national guidance as it develops in order to determine the appropriate response for the Trust.

We will need to establish our methods of operating in the new working environment. As we are a face to face social care organisation this will present us with a host of issues to consider and overcome. This we hope can be achieved with no detriment to our beneficiaries and the quality of the support they receive. This matter and our response will be discussed and agreed upon with the trustees.

THE CECIL AND ALAN PILKINGTON TRUST FUND

Trustees' report for the year ended 31 March 2020 (continued)

Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and FRS102;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material 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 trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware at the time of approving the Trustees' Annual Report:

- there is no relevant audit information of which the Charity's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by the trustees on 2020.

Signed on behalf of the trustees

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D J Bricknell

THE CECIL AND ALAN PILKINGTON TRUST FUND

Independent Auditors' Report to the Trustees of The Cecil and Alan Pilkington Trust Fund

Opinion

We have audited the financial statements of The Cecil and Alan Pilkington Trust Fund (the 'charity') for the year ended 31 March 2020 which comprise of 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 March 2020, 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 trustees' annual report, 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.

THE CECIL AND ALAN PILKINGTON TRUST FUND

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are responsible for the preparation of financial statements which 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 regulations made under section 154 of that Act.

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Andrew McMinnis ACA, FCCA (Senior Statutory Auditor)
Livesey Spottiswood Limited, Chartered Accountants and Registered Auditors,
17, George Street, St. Helens, Merseyside WA10 1DB

Date:

THE CECIL AND ALAN PILKINGTON TRUST FUND

Statement of financial activities for the year ended 31 March 2020

	Notes	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:					
Investments	2	-	3,182,453	3,182,453	3,336,944
Donations and legacies	3	25,000	71,633	96,633	76,719
<i>Charitable activities:</i>					
UK benefits and services		-	113,652	113,652	109,052
Ruskin Lodge respite care		-	275,701	275,701	278,649
Other			5,787	5,787	323
Total income		25,000	3,649,226	3,674,226	3,801,687
Expenditure on raising funds:					
Investment management costs		-	198,961	198,961	262,206
Expenditure on charitable activities:					
UK benefits and services	6	787	1,259,374	1,260,161	1,338,975
Ruskin Lodge respite care		-	1,183,228	1,183,228	1,175,135
Visiting beneficiaries		-	628,699	628,699	701,115
Overseas benefits and services		5,000	168,382	173,382	173,066
Donation to Willowbrook Hospice			91,000	91,000	75,000
Charitable expenditure		5,787	3,330,683	3,336,470	3,463,291
Total expenditure	4	5,787	3,529,644	3,535,431	3,725,497
Net income and movement in funds before gains and losses on investments		19,213	119,582	138,795	76,190
Net gains/(losses) on investments		-	(8,091,021)	(8,091,021)	1,805,499
Net movement in funds		19,213	(7,971,439)	(7,952,226)	1,881,689
Reconciliation of funds:					
Total funds brought forward		1,694	88,589,358	88,591,052	86,709,363
Total funds carried forward		20,907	80,617,919	80,638,826	88,591,052

The notes on pages 15 to 24 form part of these accounts

THE CECIL AND ALAN PILKINGTON TRUST FUND

Balance Sheet as at 31 March 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible fixed assets	8	791,863	831,351
Investments	9	78,894,440	87,573,638
		<u>79,686,303</u>	<u>88,404,989</u>
Current assets			
Debtors	10	63,280	73,028
Cash and bank deposits		1,052,842	370,637
		<u>1,116,122</u>	<u>443,665</u>
Creditors amounts falling due within one year	11	(125,460)	(114,636)
Net current assets		<u>990,662</u>	<u>329,029</u>
Provision for liabilities	12	(38,139)	(142,966)
Total assets less current liabilities		<u><u>80,638,826</u></u>	<u><u>88,591,052</u></u>
Fund balance			
Expendable endowment fund		73,002,691	81,093,712
Spendable reserves		7,615,228	7,495,646
Restricted funds	13	20,907	1,694
Total charity funds	14	<u><u>80,638,826</u></u>	<u><u>88,591,052</u></u>

The above accounts were approved by the trustees on
signed on their behalf by:

2020 and were

D J Bricknell (Director of Trustee Companies)

J McKenna (Director of Trustee Companies)

The notes on pages 15 to 24 form part of these accounts

THE CECIL AND ALAN PILKINGTON TRUST FUND

Cash flow statement for the year ended 31 March 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash (used in) operating activities:	(3,144,342)	(3,176,083)
Cash flows from investing activities		
Purchase of investments	(134,853,358)	(11,512,094)
Purchase of equipment, furniture and vehicles	(41,566)	(59,705)
Proceeds from sale of investments	135,369,092	12,723,850
Dividends and interest from investments	3,182,453	3,336,944
Receipt for sale of fixed assets	850	873
Net cash provided by investing activities	513,129	1,313,785
Cash flows from financing activities		
Receipt of Donations	96,633	76,719
Net cash provided by financing activities		
(Decrease)/ Increase in cash in the period	609,762	1,390,504
Net funds at the start of the year	2,810,533	1,420,029
Net funds at the year end (31 March)	3,420,295	2,810,533

Reconciliation of net income/(expenditure) to net cash flow from operating activities

Net income/(expenditure) and movement in funds	(7,952,226)	1,881,689
Adjustments for:		
Depreciation charges	80,204	100,904
(Gains)/losses on investments	8,091,021	(1,805,499)
Dividends and interest from investments	(3,182,453)	(3,336,944)
Receipts from Donations	(96,633)	(76,719)
Loss on sale of fixed assets	-	6,473
(Increase)/decrease in debtors	9,748	3,953
Increase/(decrease) in creditors and provisions	(94,003)	50,060
Cash flow from operating activities	(3,144,342)	(3,176,083)

Analysis of cash at 31 March

Cash at bank	1,052,842	370,637
Deposits held by investment managers	2,367,453	2,439,896
Total cash	3,420,295	2,810,533

THE CECIL AND ALAN PILKINGTON TRUST FUND

Notes to the financial statements for the year ended 31 March 2020

1. Accounting policies

a) Basis of preparation

The Charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared under the historical cost convention, with the exception of the investments which are stated at mid 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 (FRS102) and the Charities Act 2011.

b) Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain the resources will be received and the monetary value can be measured with sufficient reliability.

Restricted income is used in accordance with any specific restrictions imposed by the donors.

c) Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis, inclusive of irrecoverable VAT. Where costs cannot be directly attributable to particular categories they have been allocated to activities on the most appropriate basis of apportionment.

d) Investments

All Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

All realised and unrealised 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 the sales proceeds and the original cost of the investment. Unrealised gains and losses are calculated as the difference between market value at the end of year and opening market values. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

e) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,500 are capitalised. Tangible assets are stated at cost. Depreciation is calculated to write off the cost of fixed assets in equal annual instalments over their expected useful lives from the date of purchase at the following rates:

Freehold buildings	between 10 and 50 years
Services	between 10 and 25 years
Computer equipment	between 3 and 5 years
Vehicles	between 5 and 8 years
Furniture, fittings and other equipment	between 7 and 25 years

THE CECIL AND ALAN PILKINGTON TRUST FUND

Notes to the financial statements for the year ended 31 March 2020

f) Debtors/Creditors

Debtors and creditors are included in the financial statements at transactional value.

g) Funds

Unrestricted funds may be spent in accordance with the Trust's charitable objectives at the discretion of the Trustees.

Restricted Funds arise from specific grants for individual projects or assets and must be used for the restricted charitable purpose.

h) Pensions

The Trust has a special arrangement with Pilkington Group Limited and pays contributions at a prescribed percentage rate determined by actuaries, who every three years, determine the solvency of the Pilkington Superannuation Scheme, having regard to existing and prospective liabilities and assets. This scheme is now closed to new entrants. A defined contribution scheme with Aviva and an Auto-enrolment scheme with Now Pensions are available to employees. Contributions paid in the year are charged to the Statement of Financial Activities.

i) Leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

j) Grants

Grants are awarded on a discretionary basis and the costs included once the commitment has been approved.

2. Investment income

	2020	2019
	£	£
Investments listed on a recognised Stock Exchange	3,164,948	3,329,611
Bank Interest	4,982	2,963
Interest on cash held by investment managers	12,523	4,370
	<u>3,182,453</u>	<u>3,336,944</u>

3. Donations and Legacies

	2020	2019
	£	£
<i>General grants:</i>		
- Pilkington Charities Fund	70,000	70,000
<i>Restricted grants:</i>		
- Rainford Trust	5,000	5,000
- Pilkington Charities Fund	20,000	-
<i>Donations</i>		
- Other	1,633	1,719
	<u>96,633</u>	<u>76,719</u>

THE CECIL AND ALAN PILKINGTON TRUST FUND

Notes to the financial Statements for the year ended 31 March 2020 continued

4. Resources expended

	Direct costs	Apportioned support costs	Total 2020	Total 2019
	£	£	£	£
<i>Cost of generating funds</i>				
Investment management costs	198,961	-	198,961	262,206
<i>Charitable activities</i>				
UK benefits & services	1,054,370	205,791	1,260,161	1,338,975
Ruskin Lodge respite care	1,025,830	157,398	1,183,228	1,175,135
Visiting beneficiaries	422,860	205,839	628,699	701,115
Overseas benefits and services	145,363	28,019	173,382	173,066
Donation to Willowbrook Hospice	91,000	-	91,000	75,000
	2,938,384	597,047	3,535,431	3,725,497

Direct costs include:

- £5,787 (2019: £5,689) of restricted expenditure.
- The external audit fee of £7,250 (2019: £6,650).
- Operating lease cost in respect of land and buildings of £94,039 (2019: £79,996)

5. Support costs broken down by activity

	UK benefits & services	Ruskin Lodge respite care	Visiting beneficiaries	Overseas	Total 2020	Total 2019
	£	£	£	£	£	£
Governance	33,005	33,005	33,005	11,002	110,017	114,240
Corporate	15,578	31,157	15,578	10,996	73,309	82,903
Finance	26,430	26,430	26,430	6,021	85,311	97,976
Human resources	18,390	54,020	18,438	-	90,848	110,192
Community care administration	112,388	12,786	112,388	-	237,562	329,118
Total	205,791	157,398	205,839	28,019	597,047	734,429

Support costs have been allocated to activities on the basis deemed most appropriate.

Premises costs are allocated to activity by area, pensions and salary administration by headcount, other costs by proportion of time spent on the activity.

THE CECIL AND ALAN PILKINGTON TRUST FUND

Notes to the financial Statements for the year ended 31 March 2020 continued

6. Expenditure on UK benefits and services

	Unrestricted	Restricted	Total	Total
	2020	2020	2020	2019
	£	£	£	£
Services provided:				
Personal care and sitting service	87,250	-	87,250	112,573
Dementia support	37,440	-	37,440	37,525
Domestic assistance	489,090	-	489,090	478,137
Home meals	124,698	-	124,698	123,853
Gardening and security	8,724	-	8,724	10,245
Hairdressing	43,082	-	43,082	42,526
Day centre services	120,931	208	121,139	122,201
Active leisure/contact groups	78,371	579	78,950	79,709
Prism/calendar	46,487		46,487	47,309
Total cost of services provided	1,036,073	787	1,036,860	1,054,078
Grants to individuals:	Number of grants			
	<u>2019/20</u>			
Hairdressing	114		1,494	1,797
Domestic assistance	21		840	1,160
Gardening	139		10,425	11,400
Discretionary, including funeral grants	4		3,169	5,014
Total grants to individuals			15,928	19,371
Gifts/ Christmas provisions			1,582	2,038
Total direct costs			1,054,370	1,075,487
Community care administration support costs			205,791	263,488
Total expenditure on UK benefits and services			1,260,161	1,338,975

Restricted expenditure in 2019 was £579

THE CECIL AND ALAN PILKINGTON TRUST FUND

Notes to the financial Statements for the year ended 31 March 2020 continued

7. Trustee and staff costs

Trustees

Members of the Board of the Trustee companies do not receive any remuneration for their services. Total travel expenses of £597 were reimbursed to two members in 2020 (2019: £747, two).

Staff numbers

The average number of employees during the year was 74 (2019: 74).

The average numbers of employees on a full time equivalent basis was:

	2020	2019
Charitable	51	50
Management and administration	<u>6</u>	<u>6</u>

Staff costs

	2020	2019
	£	£
Wages and salaries	1,471,135	1,397,227
Social Security costs	110,617	107,402
Pension contributions	<u>181,926</u>	<u>176,179</u>
	<u>1,763,678</u>	<u>1,680,808</u>

The total employment benefits, including employer pension contributions, of the key management personnel was £309,997 (2019: £280,077).

The number of employees whose emoluments (salaries and benefits in kind) fell within the following band:

	2020	2019
£60,000 - £69,999	1	1

This excludes pension contributions of £17,413 (2019: £14,129).

Pension schemes

The Trust has a special arrangement with Pilkington Group Limited providing benefits through the Pilkington Superannuation Scheme based on pensionable pay (pensionable pay was frozen as of 30 April 2013). The scheme is a multi employer scheme as described by FRS 102 and it has not been possible to identify the charity's share of the underlying assets and liabilities.

THE CECIL AND ALAN PILKINGTON TRUST FUND

Notes to the financial Statements for the year ended 31 March 2020 continued

Under the trust deed governing the scheme, the employer's contributions are fixed at 16% of pensionable salary for active members who contribute 8% and 12.5% for members contributing 5.5%. Under the deed the employer has no right of access to any investment surpluses but equally cannot be required to increase contributions to finance any deficits other than as may be required by legislation. All pension costs of the charity in relation to this scheme are reported on a defined contribution basis.

The Pilkington Superannuation Scheme is a closed scheme. An auto enrolment scheme has been in place since July 2014 and a defined contribution scheme with Aviva is offered to all employees.

The pension charge for the year ended 31 March 2020 year was £181,926 (2019 - £176,179).

THE CECIL AND ALAN PILKINGTON TRUST FUND

Notes to the financial Statements for the year ended 31 March 2020 continued

8. Tangible fixed assets

	Freehold land & buildings	Services	Computer equipment	Vehicles	Furniture fittings & other	Total
	£	£	£	£	£	£
Assets at cost						
Balance at 1 April 2019	1,513,705	309,030	81,826	245,822	257,809	2,408,192
Additions	-	-	-	41,566	-	41,566
Disposals	-	-	-	(40,051)	(13,525)	(53,576)
Balance at 31 March 2020	1,513,705	309,030	81,826	247,337	244,284	2,396,182
Depreciation						
Balance at 1 April 2019	864,034	286,158	67,428	177,322	181,899	1,576,841
Charge for the year	42,941	4,499	6,000	15,681	11,083	80,204
Disposals	-	-	-	(39,201)	(13,525)	(52,726)
Balance at 31 March 2020	906,975	290,657	73,428	153,802	179,457	1,604,319
Net book value						
At 31 March 2020	606,730	18,373	8,398	93,535	64,827	791,863
At 31 March 2019	649,671	22,872	14,398	68,500	75,910	831,351

Note: All fixed assets are used in the direct furtherance of the Charity's objectives.

THE CECIL AND ALAN PILKINGTON TRUST FUND

Notes to the financial Statements for the year ended 31 March 2020 continued

9. Fixed Asset Investments

	Listed UK fixed interest stock	Listed UK equities	Overseas and other investments	Managed funds	Cash held on deposit	Total
	£	£	£		£	£
Market value at 01 April 2019	11,450,442	55,979,608	17,703,692	-	2,439,896	87,573,638
Additions at cost	6,407,448	29,358,520	10,172,302	88,915,088	-	134,853,358
Net cash movement in year	-	-	-	-	(72,443)	(72,443)
Disposal proceeds	(17,997,730)	(86,794,201)	(29,337,161)	(1,240,000)	-	(135,369,092)
Realised profit on disposals	809,610	12,166,195	5,540,286	21,380	-	18,537,471
Net unrealised investment gains/(losses)	669,770 (669,770)	10,710,122 (10,349,015)	4,079,119 (4,075,234)	87,696,468 (11,534,473)	2,367,453 -	105,522,932 (26,628,492)
Market value at 31 March 2020	-	361,107	3,885	76,161,995	2,367,453	78,894,440
Historical cost at 31 March 2020	-	350,015	7,600	87,696,468	2,367,453	90,421,536
Historical cost at 31 March 2019	10,780,672	45,619,501	13,632,173	-	2,439,896	72,472,242

The market value of investments was £11,527,096 below cost (2019: £15,101,396 above cost) at the balance sheet date. This reflects a fall in the value of investments due to the COVID 19 pandemic.

The Trust changed investment managers during the year. At 31 March 2020 the Trust is invested mainly in two managed funds, each with a diversified portfolio of investments. The amount invested in any one company does not exceed 5% of the Trust's total investments.

THE CECIL AND ALAN PILKINGTON TRUST FUND

Notes to the financial Statements for the year ended 31 March 2020 continued

10. Debtors

	2020	2019
	£	£
Pilkington Charities Fund	17,500	17,500
St. Helens MBC	21,712	21,851
Other debtors	24,068	33,677
	<u>63,280</u>	<u>73,028</u>

There are no debtors falling due after more than one year (2019: nil)

11. Creditors: amounts falling due within one year

	2020	2019
	£	£
Other creditors	<u>125,460</u>	<u>114,636</u>

12. Provisions

	Cumulative leave £	Refurbishment costs £	Chalon Way £	Total £
At 01 April 2019	20,107	20,002	102,857	142,966
Additions	1,062	10,000	-	11,062
Used in the year	(1,035)	(11,997)	(20,657)	(33,689)
Unused reversed in the year	-	-	(82,200)	(82,200)
At 31 March 2020	20,134	18,005	-	38,139

13. Restricted Funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants to be applied for specific purposes.

	Balance 31 March 2019	Movement of funds in the year		Balance 31 March 2020
	£	Income £	Spend £	£
Pensioners Club	1,694	-	(579)	1,115
South Africa	-	5,000	(5,000)	-
Minibus	-	20,000	(208)	19,792
	<u>1,694</u>	<u>25,000</u>	<u>(5,787)</u>	<u>20,907</u>

THE CECIL AND ALAN PILKINGTON TRUST FUND

Notes to the financial Statements for the year ended 31 March 2020 continued

14. Analysis of net assets between funds

	Restricted funds £	Endowment funds £	Total funds £
Fund balances at 31 March 2020 are represented by:			
Tangible fixed assets	20,907	770,956	791,863
Investments	-	78,894,440	78,894,440
Net current assets	-	990,662	990,662
Provision for liabilities	-	(38,139)	(38,139)
Total net assets	20,907	80,617,919	80,638,826

15. Related parties

The Cecil & Alan Pilkington Trust Fund uses Pilkington Retirement Services Limited as an employment vehicle for 75 (2019: 75) contracts of employment. All associated salary costs are borne exclusively by the Cecil & Alan Pilkington Trust Fund.
During the year the Trust paid £500 to a trustee for consultancy services (2019: nil).

16. Operating lease commitments

At 31 March 2020 the charity had total minimum operating lease payments as set out below:-

Land and Buildings:

	2020 £	2019 £
Operating leases which expire between one and five years	54,856	156,730