

THE PHYLLIS HARNEY TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Gibbons

Chartered Accountants & Tax Advisers

SERVICE • SOLUTIONS • VALUE

THE PHYLLIS HARNEY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs KA Hill Mr AP Phillipson Mr JA Wood
Charity number	1122467
Principal address	108 Curwendale Stainburn Workington Cumbria CA14 4UT
Independent examiner	Gibbons Chartered Accountants Carleton House 136 Gray Street Workington Cumbria CA14 2LU
Solicitors	Milburns Solicitors Oxford House 21-23 Oxford Street Workington Cumbria CA14 2AL
Investment advisors	Financial Concepts (Carlisle) Limited Eden House 2 The Crescent Carlisle Cumbria CA1 1QN

THE PHYLLIS HARNEY TRUST

CONTENTS

	Page
Trustees' report	1 - 2
Independent examiner's report	3
Statement of financial activities	4
Balance sheet	5
Notes to the financial statements	6 - 11

THE PHYLLIS HARNEY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The trustees present their report and financial statements for the year ended 30 September 2020.

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 charity's Declaration of Trust dated 3 December 2007, 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 2019)".

Objectives and activities

The Trust was originally created by the will of Mrs Phyllis Fountain Harney of Applethwaite Keswick Cumbria. It was registered as Charity Number 1122467 with the Charity Commission on 24 January 2008. The administration of the charity is carried out from and its principal address is 108 Curwendale Stainburn Workington Cumbria CA14 4UT.

The charity's objects are the relief of financial hardship either generally or individually of people living in West Cumbria by making grants of money for providing or paying for items services or facilities.

All grants are made to or via applications received from professional organisations or contacts operating in the field of relief of financial hardship or who have clients suffering from financial hardship.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Grants awarded during the year amounted to approximately £190,000 of which 85% were to relevant organisations and 15% directly for the benefit of individuals or families.

The charity does not undertake fundraising and has no plans to do so.

Financial review

The Trustees have assessed the period of time for which the charity will be able to continue its grant making operations. It is anticipated that the charity will continue for a period of 4 years from 1 October 2020 by which time the charity's funds will have been fully distributed.

All of the funds of the charity are Unrestricted Funds invested in accordance with the Investment Policy so as to be available for grant distributions at reasonably short notice.

The Trustees wish to achieve stability in the value of the charity's investments without undue risk. Investments are monitored and reviewed by Mr Phillipson as Investment Advisor.

The Trustees actively monitor the source of applications and the distribution of grant awards. Investments are professionally managed and reviewed. Systems are in place to control the day to day management of the charity and to mitigate operational or business risks.

The Trustees anticipate maintaining grant awards at current levels for 4 more years.

Structure, governance and management

The trustees who served during the year and up to the date of signature of the financial statements were:

Mrs KA Hill

Mr AP Phillipson

Mr JA Wood

THE PHYLLIS HARNEY TRUST

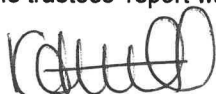
TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

Additional trustees may be appointed at a special meeting of trustees.

Trustee induction and training is in accordance with a Declaration of Trust dated 3 December 2007 made by the trustees of the will of Mrs P F Harney and the charity's policy on induction and training dated 19 August 2015.

The trustees' report was approved by the Board of Trustees.



Mrs KA Hill

Trustee

Dated: 9.6.2021

THE PHYLLIS HARNEY TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE PHYLLIS HARNEY TRUST

I report to the trustees on my examination of the financial statements of The Phyllis Harney Trust (the charity) for the year ended 30 September 2020.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and 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 financial statements to be reached.



Tony Hindmoor FCA
Gibbons
Chartered Accountants
Carleton House
136 Gray Street
Workington
Cumbria
CA14 2LU

Dated: 23 June 2021

THE PHYLLIS HARNEY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<u>Income from:</u>			
Investments	3	35,001	42,613
<u>Expenditure on:</u>			
Raising funds	4	7,240	1,571
Charitable activities	5	189,286	161,275
Other	8	8,281	8,200
Total resources expended		204,807	171,046
Net gains/(losses) on investments	9	(65,743)	(619)
Net movement in funds		(235,549)	(129,052)
Fund balances at 1 October 2019		1,076,989	1,206,041
Fund balances at 30 September 2020		841,440	1,076,989

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

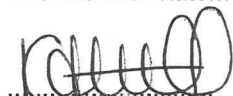
THE PHYLLIS HARNEY TRUST

BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	10		748,790		1,059,822
Current assets					
Cash at bank and in hand		94,970		19,486	
Creditors: amounts falling due within one year	12	(2,320)		(2,319)	
Net current assets			92,650		17,167
Total assets less current liabilities			841,440		1,076,989
Income funds					
Unrestricted funds			841,440		1,076,989
			841,440		1,076,989

The financial statements were approved by the Trustees on 9.6.2021



Mrs KA Hill
Trustee

THE PHYLLIS HARNEY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

Charity information

The Phyllis Harney Trust is an unincorporated charity registered in England. The principal address is 108 Curwendale, Stainburn, Workington, Cumbria, CA14 4UT.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Declaration of Trust dated 3 December 2007, 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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Investment income is recognised on a receivable basis.

THE PHYLLIS HARNEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and 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. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

THE PHYLLIS HARNEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.8 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Voluntary help

The Charity is very fortunate in receiving substantial amounts of voluntary unpaid help however this cannot be quantified and is therefore not included in the financial statements.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Income from listed investments	2,579	7,891
Income from unlisted investments	32,384	34,720
Interest receivable	38	2
	<u>35,001</u>	<u>42,613</u>

4 Raising funds

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Investment management	7,240	1,571
	<u>7,240</u>	<u>1,571</u>

THE PHYLLIS HARNEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

5 Charitable activities

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Grant funding of activities (see note 6)	189,286	161,275

6 Grants payable

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Grants to institutions	171,185	140,372
Grants to individuals	18,101	20,903
	189,286	161,275

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

8 Other

	Unrestricted funds 2020	Unrestricted funds 2019
Sundry expenses	6,481	6,514
Legal and professional fees	1,800	1,596
Financing costs	-	90
	8,281	8,200

THE PHYLLIS HARNEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

9 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Revaluation of investments	(48,370)	1,722
Gain/(loss) on sale of investments	(17,373)	(2,341)
	<u>(65,743)</u>	<u>(619)</u>

10 Fixed asset investments

	Listed investments	Unlisted investments	Total
	£	£	£
Cost or valuation			
At 1 October 2019	147,799	912,023	1,059,822
Additions	7,188	2,830	10,018
Valuation changes	(12,538)	(53,205)	(65,743)
Disposals	(109,398)	(145,909)	(255,307)
At 30 September 2020	<u>33,051</u>	<u>715,739</u>	<u>748,790</u>
Carrying amount			
At 30 September 2020	<u>33,051</u>	<u>715,739</u>	<u>748,790</u>
At 30 September 2019	<u>147,799</u>	<u>912,023</u>	<u>1,059,822</u>

11 Financial instruments

	2020	2019
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through statement of financial activity	<u>748,790</u>	<u>1,059,822</u>

12 Creditors: amounts falling due within one year

	2020	2019
	£	£
Accruals and deferred income	<u>2,320</u>	<u>2,319</u>

THE PHYLLIS HARNEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

13 Analysis of net assets between funds

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Fund balances at 30 September 2020 are represented by:		
Investments	748,790	1,059,822
Current assets/(liabilities)	92,650	17,167
	<u>841,440</u>	<u>1,076,989</u>

14 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

During the year Financial Concepts (Carlisle) Limited received renewal commission for managing the trusts investments at a rate of 0.5% of the investment value. Mr A P Phillipson (Trustee) is a Director of Financial Concepts (Carlisle) Limited.