

**TRUSTEES' REPORT AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
THE CHARLES & ELSIE SYKES TRUST**

THE CHARLES & ELSIE SYKES TRUST

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THE CHARLES & ELSIE SYKES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2020

TRUSTEES	Mr J Ward (Chairman) Mr M P Coultas Mr R B Kay Dr P R Livingstone Dr M W McEvoy Mrs S L Buchan Ms E Morrison Mr S Rushton Mr D S Mead (appointed 9/12/2020)
PRINCIPAL ADDRESS	First Floor The Exchange Harrogate North Yorkshire HG1 1TS
REGISTERED CHARITY NUMBER	206926
AUDITORS	HPH Chartered Accountants 13 Hornbeam Square South Harrogate North Yorkshire HG2 8NB
SOLICITORS & SECRETARY	Neil J Shaw, LLB TEP LCF Law Limited First Floor The Exchange Station Parade Harrogate HG1 1TS
ACCOUNTANTS & TREASURER	John O Campbell FCA CTA CA(SA) AIIT DSC Chartered Accountants Tattersall House East Parade Harrogate HG1 5LT
INVESTMENT ADVISORS	UBS Wealth Management 3 Finsbury Avenue London EC2M 2AN
BANKERS	Barclays Bank PLC James Street Harrogate HG1 1QX

THE CHARLES & ELSIE SYKES TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2020**

CUSTODIAN TRUSTEE

UBS AG
Newcastle Branch
2 St James' Gate
Newcastle
NE4 7JH

THE CHARLES & ELSIE SYKES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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).

BACKGROUND

Charles Sykes started his career as a office boy at the age of twelve, and became a successful businessman in the West Riding knitting wool trade with his own four-storey mill at Princeville, Bradford. He never forgot his roots and pledged that if he ever became wealthy he would help those in distress who had not been as fortunate as himself.

He achieved his life ambition in his eighty-second year when he launched the Charles Sykes Trust on 16 December 1954. He died in 1967 aged ninety-four and his widow Elsie continued his charitable work for which she was awarded the OBE. The Trust was renamed following her death in 1987 in recognition of her considerable contribution.

The original capital sum of the Trust has been increased over the years by substantial donations from various sources including Mr and Mrs Sykes, and significant contributions from the late William Powell and Miss I L McDowall. The Trust is still willing to receive donations, from any person(s) who wish to support good works by leaving a bequest or donating permanent capital, to an active, effective, and prudently run charity.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives are to distribute the whole of each year's income after expenses arising from the settled endowment amongst registered charities, at the absolute discretion of the trustees.

The main activity undertaken in order to achieve these objectives are regular meetings throughout the year in order to evaluate investment performance, consider applications, and distribute grants in accordance with the policies detailed in this report. The trustees also read correspondence with applicants, and make visits to past and potential applicants in order to understand the nature of the charitable activities undertaken, and ensure that grants are being spent in line with the Sykes Trust's objectives.

The Trust's aim is to support charitable activity in line with the Trust's constitution, with a focus on Yorkshire. It aims to do this by:

1) Managing the Trust's permanent reserves well, in order to gain income which can then be distributed. The Trust measures its performance against a customised portfolio benchmark.

2) Assessing applications for funding to ensure that the benefit of the funds distributed are maximised across the area and across charitable sectors. The Trust measures its performance with reference to how many applications which fit the Trust's criteria have been assessed, and whether grants have been made in line with the annual budget.

The Trust does not focus on one specific issue or charitable sector, it assesses each application for funding on its own merits. However there is a preference for those causes which relieve the hardship of children, the elderly and those with disabilities, for medical research projects and local charitable projects involving music linked to education and accessibility of the less fortunate to musical events.

Achievement of these aims will maximise the income available to distribute, thus achieving the objectives set out in the Trust Deed. The Trust has operated in this way for many years and whilst regularly reconsidering the strategy, it is still considered that the methods currently adopted continue to serve the Trust well.

Public benefit

The trustees considered the general guidance on public benefit issued by the Charity Commission in carrying out its objectives and activities and in delivering public benefit to the many institutions provided with financial and general help and are satisfied that the objectives fall under the provisions of the Charities Act 2011.

THE CHARLES & ELSIE SYKES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Every year the Trust receives many more applications for grants from worthy causes than it could possibly satisfy. The trustees aim to review all applications which fit the requirements of the Trust, in order to determine those most in need of grants. A budget is set each year by the treasurer taking into account the reserve requirements of the Trust. The budget is agreed by the Trustees, who then aim to meet that budget when grant making.

During the year 402 (2019: 526) applications were received. Of these, 70 (2019: 125) did not meet the Trust's requirements. The most frequent reasons for this were: accounts were not provided; the applicant had no Yorkshire, or medical link; the relevant application form (available at www.charlesandelsiesykestrust.co.uk/how-to-apply/) was not completed; or, the application was for a building maintenance project. 332 (2019: 401) applications were appraised by the trustees in the year, being 100% of eligible applications.

The trustees aim to continue to assess all applications which fit the requirements of the Trust and to make grants in line with each committee's budget.

For further detail on the achievements of the largest grants made during the year, the note following the trustees report discloses grants of £5,000 and over.

An analysis of the grants between the various categories of charities supported in 2020 can be found in note 5 of the accounts.

Investment policy and performance

As a minimum, the investment subcommittee meets with the investment advisors on a quarterly basis to ensure the portfolio is kept in line with the Trust's investment policy.

The investment policy of the Trust is the enhancement and the preservation of the real value of the capital and income of the Trust by investment in a well diversified portfolio of high quality, easily negotiable assets. In pursuit of this policy the majority of the investment is in equities, approximately half of which are UK equities. The portfolio mandate is for a long-term discretionary portfolio aiming to achieve a mixture of capital and income growth. The investment advisors of the trust classify the portfolio held as having a 'diversified growth' risk profile, which aims for long-term appreciation and has high volatility. This is managed to a customised benchmark and there are minor restrictions placed on the investments which can be held, which are reviewed regularly by the investment sub-committee.

Financial derivatives are used as and when the custodian trustee deems this necessary. Usually this is to manage foreign currency risk on investment income.

The investments at the year-end are shown at their market values. These investments and the liquid funds totalled £17,525,092 at 31 December 2020 compared with £17,883,851 at 31 December 2019, a decrease by 2.0%. The revaluation of the investments held at year-end created a loss of £253,749.

The Trust aims to gain a return on its portfolio which is higher than the customised benchmark. The one year benchmark for this year was 2.8% (2019: 16.8%) and the return achieved was 3.0% (2019: 14.5%). Over a longer term of 5 years the return achieved has been 6.4% compared to a benchmark of 7.5%. The trustees remain satisfied with portfolio performance.

During 2020 investment income was £509,391, which was a decrease by 20.5% from last year. The capital value of the fund was £17,302,539 (2019: £17,890,944). At the date the Trustees' Report has been prepared, the Trust anticipates a reduction in investment income in 2021, following the impact of the Covid-19 pandemic.

The trustees reviewed the Trust's position and the potential to change investment managers during the year, but remain satisfied with the service received from the current advisors and believe their fee levels are in line with market conditions and so no change was made.

THE CHARLES & ELSIE SYKES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE GRANTS PAYABLE OF £5,000 AND OVER

	2020 £	2019 £
Bradford Hospital, Bradford The trustees have agreed to give £10,000 over the next five years, and have made a provision for this amount	50,000	-
Leeds Community Foundation, Leeds Who also administers funds for the Bradford district To support their Covid-19 Emergency Fund	20,000	-
Yorkshire Cancer Research, Harrogate Towards the costs incurred in collecting data which has a strong bearing on ensuring their research grants are directed most effectively	20,000	-
Calderdale Community Foundation, Halifax To support their Covid-19 Emergency Fund	10,000	-
One Community Foundation, Huddersfield To support their Covid-19 Emergency Fund	10,000	-
South Yorkshire Community Foundation, Sheffield To support their Covid-19 Emergency Fund	10,000	-
St Peter's Church, Harrogate For their charities fund which gives support to the most needy in society	10,000	10,000
Two Ridings Community Foundation, York To support the Covid-19 Emergency Fund	10,000	-
Camphill Shared Lives Communities Limited, Malton Towards a new house in a village where those with learning difficulties live alongside people trained to care for them, building an accepting community	7,500	-
Sheffield Mencap and Gateway, Sheffield Towards the refurbishment of their facilities	6,750	-
Leeds Baby Bank, Leeds Towards providing eighteen families with essential baby care items	6,000	-
BCCS Assist, Baildon Moor Towards the costs to cover support for fifty volunteers to promote the practical, emotional, physical and social wellbeing of anyone attending court	5,720	-
Alzheimer's Research UK, Cambridge For running costs at the discretion of the charity	5,000	5,000
British Heart Foundation, London Towards funding to assist a PhD student in Yorkshire	5,000	2,000
Edlington Community Organisation, Doncaster Towards salary costs	5,000	-
Friends of Bowling Park, Bradford Towards helping improve local parkland	5,000	-

THE CHARLES & ELSIE SYKES TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE

Lifelites, London Towards the cost of donating a package of technology to give life changing experiences to children and fourteen hospices to life limited and disabled children	5,000	-
Older Citizens Advocacy, York Towards the cost to support older people in financial hardship	5,000	-
Roundabout Ltd, Sheffield Towards the cost of the refurbishment of a derelict property recently purchased for youth homelessness	5,000	-
Ryedale YMCA, Malton North Yorkshire Towards providing accommodation and support to young adults in crisis	5,000	-
Scholemoor Beacon CIO, Bradford Towards the building work at the community centre to create a new multipurpose room	5,000	-
The Forest School Fund, Knaresborough Towards the cost of outdoor sports and play facilities for pupils 3 - 16 years old with severe learning difficulties	5,000	-
The Hut York Limited, York Towards providing activities for people with mental health or learning disabilities	5,000	-
The Snowdrop Project, Sheffield Towards a case work programme aiming to empower human trafficking survivors to rebuild their live	5,000	-
YMCA Ripon, Ripon Towards your 'Work For You' project which offers targeted practical, emotional and mental health support	5,000	-
York Rescue Boat, York Towards the vital repairs and renewal of equipment	5,000	-

THE CHARLES & ELSIE SYKES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW

Financial position

The trustees consider that the Trust has had a successful year, enjoying strong portfolio growth throughout the year which has been reflected by an increase in actual donations to beneficiaries.

Having built up reserves in the previous year, the budgets for donations were increased, but cautiously. The strong income performance during 2020 has allowed the Trust to continue to build its reserves, and with little need for them to increase any further. It had been planned that the donations in 2021 would have also risen, and the investment advisors initially indicated that the income for 2021 would be £475,000.

Grants have been given to a wide range of charities, predominately in the Yorkshire area, or to national charities for a 'Yorkshire' requirement. There are a number of donations made which are to charities domiciled in other areas of the country, these tend to be specialist medical organisations as the trustees are cognisant of the fact that the best research is not necessarily being conducted in Yorkshire.

The gross investment income for the year decreased by £131,590 to £509,391, however was above the 2020 budget. The governance costs and finance costs were £54,518 compared with £51,894 last year.

The total grants donated during the year increased from £376,022 to £459,720. The increase was mainly due to the Covid-19 emergency funding where a total of £60,000 was given to six of the Community Foundations in Yorkshire.

This total includes amounts which have been committed by the Trust, and are to be donated in the upcoming years. £40,000 to Bradford Hospital. The trustees' personal donations amounted to £16,000 in the year.

Reserves policy

The trustees aim to maintain reserves at an adequate level to provide sufficient working capital to fund the charity's activities.

The trustees continue to consider that a reserve of unrestricted funds should be maintained at a level approximating to one half of a year's net income excluding grants and the financial budgets are drawn up to reflect this. The size of the reserve is kept under constant review. The reserve exists because:

- a) occasional applications are received meriting unusually large grants at what could be disadvantageous times,
- b) trust income does not accrue on an even basis,
- c) each charity on the annual list may expect a continuance of their grant if they comply with the Trust rules.

The total permanent and unrestricted reserves held at the end of 2020 was £17,819,252 of which £17,302,539 forms the permanent endowment fund.

A decrease in the unrestricted reserves from £521,560 to £516,713 was seen in 2020. This puts unrestricted reserves at 114% (2019: 89%) as a percentage of net income, which meets the stated reserves policy target. The large increase in reserves is due to the subcommittees underspending their donation budgets for the year and investment income received was higher than forecasted.

It should also be noted that the Trust has provided for £72,000 donations which have not yet been paid but which are committed to be given in upcoming years. If the effect of the donations provided for is removed, the reserves as a percentage of net income in 2020 would be 129%.

Going concern

The financial statements have been prepared on a going concern basis. There are no material uncertainties about the Trust's ability to continue for the foreseeable future.

FUTURE PLANS

The trustees intend to continue providing grants in a similar way to the recent past, an approach which they consider to have been very successful. The grant making policy remains as set out earlier in this report and the trustees consider that this enables them to achieve the objectives of the trust.

THE CHARLES & ELSIE SYKES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charles and Elsie Sykes Trust is an unincorporated charity, governed by a Trust Deed dated 16 December 1954.

Recruitment and appointment of new trustees

The Trust is run by the Board of Trustees who meet periodically. They do not receive remuneration, nor do they normally seek reimbursement of expenses. The day to day financial and secretarial matters are dealt with by employees of DSC Chartered Accountants and LCF Law who report to the treasurer and secretary respectively.

The appointment of new trustees is governed by the Trust Deed. Trustees are appointed for a period of 5 years. The board is authorised to appoint new trustees to fill any vacancies. Trustees are eligible for re-election.

If there is a requirement for new trustees, these are identified and appointed by the remaining trustees. The Chairman is responsible for initiating the induction of any new trustee, which involves awareness of a trustee's responsibilities, the governing document, administrative procedures and the historical and philosophical approach of the Trust. A new trustee receives copies of the previous year's annual report and accounts. Most of the existing trustees have held office for more than one term. Ongoing training is provided as necessary, including attendance at relevant courses.

Organisational structure

Fees are paid to the custodian trustee and to the officers of the Trust as detailed in the governance costs and investment management costs. Fee proposals are reviewed annually by the trustees.

Mr Neil Shaw acts as the Trust's secretary and is a partner in LCF Law, who act as solicitors for the Trust. Mr John Campbell acts as treasurer and is a director at DSC Chartered Accountants who act as accountants and tax advisors for the Trust.

THE CHARLES & ELSIE SYKES TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Decision making

Investment Powers

The Trust deed authorises the trustees to make and hold investments using the general funds of the Trust. The Investment subcommittee of the Trust meet with investment advisors to consider the investments and thereafter report to the next meeting of the Board of Trustees.

Grant Making Policy

The trustees have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the aims and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives set.

All applications received must have a balance sheet and the subcommittee receiving these applications will then scrutinise the information to ensure, as far as can be ascertained, that any monies given will be used for public benefit to improve the lives of the beneficiaries of the charities

The Trust receives and considers direct applications for assistance. Preference is given to applications from Yorkshire, applications received from outside the region are unlikely to be successful, as are those which are received from individuals or without the most recent examined/audited accounts.

The Trust also makes annual grants to a number of registered charities (upon annual production of satisfactory accounts) where regular support is perceived to be desirable and proper. This is not guaranteed and is subject to review. The trustees yet again note a number of those charities on the 'annual' list failed to provide proper information about their accounts.

The trustees meet periodically in subcommittees to advise the board as to:

1) Annual Grants

Grants that are for on-going programmes and are repeated over a number of years, provided satisfactory up to date accounts are received each year.

2) Medical Grants

Grants related to healthcare and medical research.

3) Special Grants

Grants that are for one-off charitable projects.

4) Exceptional Grants (Super Specials)

Grants are for amounts usually well in excess of the normal level of giving and are often associated with a special anniversary of the Sykes Trust. Detailed consideration is given to each application on the basis of: information provided; additional information the trustees see as necessary to form an opinion; visits and follow up reports.

THE CHARLES & ELSIE SYKES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have examined the major strategic, business and operational risks which the Trust faces and have adopted a formal risk management policy. A review of the risk assessment is undertaken annually.

Whilst the trustees make suitable enquiries into the activities of charities when deciding where to make grants, they take no part in day to day running of those charities. On the rare occasions where a trustee is personally involved with a charity which is a recipient of a grant, the trustee declares their interest in a general meeting.

The risks relating to the assets of the trust are mitigated by having a wide spread of investments; professional advice on the choice of investments is given by UBS who are also the custodian trustee. The trustees are aware that the Trust is holding two securities which represent more than 5% of the value of investments held. These are detailed as follows:

1) UBS Investment Funds ICVC S&P 500 Index security represents 6.6% of the value of investments held. Note that this asset is an index tracking fund which follows the performance of 500 companies in diverse markets and so the trustees judge the risk associated with the holding to be acceptable.

2) Vanguard Funds PLC security represents 5.8% of the value of the investments held within the overall portfolio, This is an exchange traded fund which follows the performance of a large number of companies and so the trustees judge the risk associated with the holding to be acceptable.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (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.

Approved by order of the board of trustees on 23 June 2021 and signed on its behalf by:

Mr J Ward - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE CHARLES & ELSIE SYKES TRUST

Independent Auditor's Report to the Trustees of The Charles and Elsie Sykes Trust

Opinion

We have audited the financial statements of The Charles and Elsie Sykes Trust ('the charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including 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 2020 and of income and expenditure, 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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 requires 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 and proper accounting records have not been kept by the charity; 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, 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 151 of the Charities Act 2011, and report in accordance with the Acts 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion. We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS102) 2019.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, the override of controls by management and the understatement of revenue. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, detailed substantive testing on the completeness of income, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

HPH, Chartered Accountants

Statutory Auditor
13 Hornbeam Square South
Hornbeam Park
Harrogate
HG2 8NB

23 June 2021

HPH 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 CHARLES & ELSIE SYKES TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

		Unrestricted	Permanent	2020	2019
	Notes	fund	Endowment	Total	Total
		£	fund	funds	funds
		£	£	£	£
INCOME AND ENDOWMENTS FROM					
Investment income	2	509,391	-	509,391	640,981
EXPENDITURE ON					
Raising funds	3	-	28,441	28,441	25,800
Charitable activities	4				
Grant making		514,238	-	514,238	427,916
Total		514,238	28,441	542,679	453,716
Net gains/(losses) on investments		-	(559,964)	(559,964)	1,716,928
NET INCOME/(EXPENDITURE)		(4,847)	(588,405)	(593,252)	1,904,193
RECONCILIATION OF FUNDS					
Total funds brought forward		521,560	17,890,944	18,412,504	16,508,311
TOTAL FUNDS CARRIED FORWARD		<u>516,713</u>	<u>17,302,539</u>	<u>17,819,252</u>	<u>18,412,504</u>

The notes form part of these financial statements

THE CHARLES & ELSIE SYKES TRUST

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2020

		Unrestricted	Permanent	2020	2019
	Notes	fund	Endowment	Total	Total
		£	fund	funds	funds
		£	£	£	£
FIXED ASSETS					
Investments	12	-	17,525,092	17,525,092	17,883,851
CURRENT ASSETS					
Prepayments and accrued income		-	-	-	7,092
Cash at bank		591,988	-	591,988	619,710
		591,988	-	591,988	626,802
CREDITORS					
Amounts falling due within one year	13	(39,275)	(1,677)	(40,952)	(62,649)
NET CURRENT ASSETS		552,713	(1,677)	551,036	564,153
TOTAL ASSETS LESS CURRENT LIABILITIES		552,713	17,523,415	18,076,128	18,448,004
CREDITORS					
Amounts falling due after more than one year	14	(36,000)	-	(36,000)	(35,500)
PROVISIONS FOR LIABILITIES	15	-	(220,876)	(220,876)	-
NET ASSETS		516,713	17,302,539	17,819,252	18,412,504
FUNDS	16				
Unrestricted funds					
General Fund:				516,713	521,560
Permanent Endowment Fund				17,302,539	17,890,944
TOTAL FUNDS				17,819,252	18,412,504

The financial statements were approved by the Board of Trustees and authorised for issue on 23 June 2021 and were signed on its behalf by:

Mr J Ward - Trustee

The notes form part of these financial statements

THE CHARLES & ELSIE SYKES TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(335,908)</u>	<u>(502,572)</u>
Net cash used in operating activities		<u>(335,908)</u>	<u>(502,572)</u>
Cash flows from investing activities			
Purchase of fixed asset investments		(10,222,021)	(7,107,176)
Sale of fixed asset investments		10,020,816	7,140,927
Interest received		1,180	2,974
Dividends received		<u>508,211</u>	<u>638,007</u>
Net cash provided by investing activities		<u>308,186</u>	<u>674,732</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(27,722)	172,160
Cash and cash equivalents at the beginning of the reporting period		<u>619,710</u>	<u>447,550</u>
Cash and cash equivalents at the end of the reporting period		<u><u>591,988</u></u>	<u><u>619,710</u></u>

The notes form part of these financial statements

THE CHARLES & ELSIE SYKES TRUST

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(593,252)	1,904,193
Adjustments for:		
Losses/(gain) on investments	559,964	(1,716,928)
Interest received	(1,180)	(2,974)
Dividends received	(508,211)	(638,007)
Increase/(decrease) in provision	220,876	-
Decrease/(increase) in debtors	7,092	(7,088)
Decrease in creditors	<u>(21,197)</u>	<u>(41,768)</u>
Net cash used in operations	<u>(335,908)</u>	<u>(502,572)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank	<u>619,710</u>	<u>(27,722)</u>	<u>591,988</u>
Total	<u>619,710</u>	<u>(27,722)</u>	<u>591,988</u>

THE CHARLES & ELSIE SYKES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

All realised gains and losses on disposals, and unrealised gains on revaluation are retained within the endowment fund. The net gains and losses arising on revaluations and disposals throughout the year are shown on the Statement of Financial Activities.

The income arising from the endowment funds is used to make charitable donations, with any excess in the year being retained for donations in future periods as described in the trustees' report. The trust deed contains no restriction on the distribution of income generated, although the trustees generally retain a reserve of accumulated income, as detailed in the trustees' report.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

THE CHARLES & ELSIE SYKES TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES - continued

Allocation and apportionment of costs

Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice. This includes costs related to statutory audit, legal and bookkeeping fees. These are apportioned entirely to expenditure on charitable grant making activities on the basis that this is the area where most trustee and officer time is spent, such that the time spent on fundraising activities is considered to be immaterial.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Permanent Endowment Fund can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

Debtors

Accrued income is recognised as the Trust becomes entitled to it and is measured at fair value.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term, highly liquid investments. Highly liquid investments are defined to be those instruments judged by our investment advisors to have their main exposure in money markets and foreign exchange markets, for example cash or term deposits, short term bonds and currency certificates/derivatives.

Creditors and provisions

Creditors and provisions are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

Going Concern

The financial statements have been prepared on a going concern basis. There are no material uncertainties about the Trust's ability to continue for the foreseeable future.

THE CHARLES & ELSIE SYKES TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. INVESTMENT INCOME

	Unrestricted	Permanent	2020	2019
	funds	Endowment	Total	Total
	£	fund	funds	funds
	£	£	£	£
Investments	508,211	-	508,211	638,007
Deposit account interest	<u>1,180</u>	<u>-</u>	<u>1,180</u>	<u>2,974</u>
	<u>509,391</u>	<u>-</u>	<u>509,391</u>	<u>640,981</u>

Analysis of investment income

	2020	2019
	£	£
Bond investment income	110,331	143,465
Equity investment income	381,140	475,721
Property investment income	16,740	18,821
Interest received on cash held	<u>1,180</u>	<u>2,974</u>
	<u>509,391</u>	<u>640,981</u>

3. RAISING FUNDS

Raising donations and legacies

	Unrestricted	Permanent	2020	2019
	funds	Endowment	Total	Total
	£	fund	funds	funds
	£	£	£	£
Investment management costs	<u>-</u>	<u>28,441</u>	<u>28,441</u>	<u>25,800</u>

4. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 5)	Support costs (see note 6)	Totals
	£	£	£
Grant making	<u>459,720</u>	<u>54,518</u>	<u>514,238</u>

5. GRANTS PAYABLE

	2020	2019
	£	£
Grant making	<u>459,720</u>	<u>376,022</u>

The total grants paid to institutions during the year was as follows:

	2020	2019
	£	£
Annuals	89,000	122,000
Medicals	72,000	71,000
Specials	156,720	122,022
Personal Donations	16,000	16,000
Super Specials	<u>126,000</u>	<u>45,000</u>
	<u>459,720</u>	<u>376,022</u>

THE CHARLES & ELSIE SYKES TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

5. GRANTS PAYABLE - continued

All grants are made to registered charities for grant funded activities and paid from the unrestricted fund.

Grants to Institution:

	£
Action Medical Research, Horsham	2,000
Action on Hearing Loss, London	3,000
Alzheimer's Research UK, Cambridge	5,000
Artlink West Yorkshire, Leeds	2,000
BCCS Assist, Baildon Moor	5,720
Bilton Community Centre, Harrogate	2,000
Bold Balladiers, Lymington	3,000
Bowel Cancer UK, London	1,500
Bradford Cathedral, Bradford	3,000
Bradford Hospital, Bradford	50,000
Bradford Nightstop, Bradford	3,000
Bridlington School Performing Arts, Bridlington	2,000
British Heart Foundation, London	5,000
Calderdale Community Foundation, Halifax	10,000
Camphill Shared Lives Communities Limited, Malton	7,500
Camphill Village Trust Limited, Botton	2,000
Caring for Life, Leeds	3,000
Castaway Music Theatre, Goole East Riding	3,000
Castle Hill School, Huddersfield	850
Church Homeless Trust, London	1,000
Cleveland Housing Advice Centre, Middlesbrough	3,000
Clothing Solutions for Disabled People, Bradford	4,000
Craven & Harrogate Districts Citizens Advice Bureau, Ripon	3,000
Crohn's in Childhood Research Association, Sutton	2,000
Cross Gates & District Good Neighbours Scheme, Leeds	3,000
Deafblind UK, Peterborough	2,000
Dementia Forward, Harrogate	1,000
Designability, Bath	2,000
Diabetes UK, London	2,000
Edlington Community Organisation, Doncaster	5,000
Encephalitis Society, Malton	3,000
Exodus Project, Barnsley	2,000
Family Matters York, York	2,000
Fight for Sight, London	2,000
Flourishing Families, Leeds	2,500
Friends of Bowling Park, Bradford	5,000
Gingerbread, London	1,000
Goole & District Talking Newspaper Association, Goole	2,500
Grimm and Co Limited, Rotherham	2,500
Happy Wanderers Ambulance Organisation, Harrogate	3,000
Harold Styan Charity for Youth, Harrogate	2,500
Harrogate Choral Society, Leeds	1,500
Harrogate Competitive Festival of Music, Speech and Drama, Harrogate	1,000
Harrogate Hospital Radio Society, Harrogate	1,000
Harrogate International Festival, Harrogate	4,000
Harrogate St Andrew's Players, Harrogate	2,000
Helmsley Walled Garden, Helmsley	3,000
Hull Optimists, Hull	1,500
Humberside County Scout Council, East Yorkshire	2,700
International Spinal Research Trust, London	2,000
Kids, Yorkshire and the Humber, Hull	2,000

THE CHARLES & ELSIE SYKES TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

5. GRANTS PAYABLE - continued

Kidz Club, Leeds	3,000
Leeds Baby Bank, Leeds	6,000
Leeds Community Foundation, Leeds (who also administers funds for the Bradford district)	20,000
Leeds MIND, Leeds	2,000
Lifelites, London	5,000
Lighthouse West Yorkshire, Leeds	2,500
Listening Books, London	3,000
Lupus UK, Romford	2,000
Maggies Centres, Leeds	1,000
Mencap, Leeds	2,500
Motor Neurone Disease Association, Northampton	4,000
Muscular Dystrophy Campaign, London	2,000
Mysight York, York	3,000
Northern Ballet Limited, Leeds (withdrawn donation)	(7,000)
Older Citizens Advocacy, York	5,000
One Community Foundation, Huddersfield	10,000
One In A Million, Bradford	2,500
Opera North, Leeds	4,000
Orb Community Enterprise, Knaresborough	2,000
Platform 1, Huddersfield	4,200
Project Colt, Leeds	3,000
Re-Engage Ltd, London	2,000
Relate Pennine, Keighley and Craven, Keighley	3,000
Revitalise, London	3,000
Ripon Amateur Operatic Society, Ripon	1,000
Ripon Community Link, Ripon	3,000
Roundabout Ltd, Sheffield	5,000
Run with it, Hull	4,000
Ryedale YMCA, Malton North Yorkshire	5,000
Saffron Sheffield, Sheffield	2,000
Samaritans of Harrogate and District, Harrogate	3,000
Scholemoor Beacon CIO, Bradford	5,000
Second Thoughts East Yorkshire, York	2,000
Seed Eating Disorder Support Services, Hull	2,000
Sheffield Flourish, Sheffield	4,000
Sheffield Mencap and Gateway, Sheffield	6,750
Sidewalk Youth Project, Scarborough	2,500
Sir Robert Ogden Macmillan Centre, Harrogate	1,000
SNAPS (Special Needs and Parent Support) Yorkshire, Leeds	2,500
South Yorkshire Community Foundation, Sheffield	10,000
Southern Light Community Church, Sheffield	1,000
Special Needs Outreach Objective Project, Bradford	2,000
Spinal Injuries Association, Milton Keynes	2,000
Spinal Muscular Atrophy UK, Stratford-Upon-Avon	2,000
St Mark's Church, Harrogate	2,000
St Mark's Hospital Foundation, Harrow	2,000
St Michael's Hospice, Harrogate	4,000
St Peter's Church, Harrogate	10,000
St Wilfred's Church, Harrogate	2,500
Take Heart, Leeds	1,000
The Ambulance Wish Foundation, York	2,500
The Back Up Trust, London	2,000
The Brain Tumour Charity, Farnborough	3,000
The Bridge Project, Tadcaster	2,000
The British Stammering Association, London	2,000

THE CHARLES & ELSIE SYKES TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

5. GRANTS PAYABLE - continued

The Cellar Trust, Shipley	3,000
The Children's Trust, Tadworth	2,000
The Cure Parkinson's Trust, Reading	2,000
The Forest School Fund, Knaresborough	5,000
The Foundation for Social Improvement, London	1,000
The Hut York Limited, York	5,000
The Snappy Trust, York	3,000
The Snowdrop Project, Sheffield	5,000
Tommy's, London	2,000
Treloar Trust, Holybourne	2,000
Turn2Us, Leeds	2,000
Two Ridings Community Foundation, York	10,000
Wellbeing of Women, London	3,000
Wellspring Therapy and Training, Harrogate	3,000
West Yorkshire Community Chaplaincy Project, Leeds	2,000
Whirlow Hall Farm Trust, Sheffield	2,000
YMCA Ripon, Ripon	5,000
York Rescue Boat, York	5,000
York Scout Activity Centre, York	1,000
Yorkshire Cancer Research, Harrogate	20,000
	<u>459,720</u>

The total grants are analysed as follows:

	No.	2020 £		No.	2019 £	
Animals and Birds	0	-	0%	1	2,000	1%
Blind and Partially Sighted	4	9,500	2%	2	5,000	1%
Children and Youth	10	29,700	6%	19	44,150	12%
Cultural and Environmental Heritage	9	27,500	6%	6	21,000	6%
Deaf, Hard of Hearing and Speech Impaired	3	8,000	2%	3	5,000	1%
Disabled and Physically Handicapped	10	20,250	4%	21	65,100	17%
Education	7	23,350	5%	9	36,072	10%
Hospitals and Hospices	4	56,000	12%	7	11,500	3%
Medical Research	17	61,500	13%	25	55,000	15%
Medical Welfare	9	17,000	4%	9	15,000	4%
Mental Health	9	25,000	5%	10	24,500	7%
Miscellaneous	6	61,000	13%	2	2,000	1%
Old People's Welfare	6	18,500	4%	5	11,200	3%
Social and Moral Welfare	32	102,420	22%	29	78,500	21%
	<u>126</u>	<u>459,720</u>		<u>148</u>	<u>376,022</u>	

THE CHARLES & ELSIE SYKES TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Grant making	<u>12</u>	<u>54,506</u>	<u>54,518</u>

Support costs, included in the above, are as follows:

	2020 Grant making activities £	2019 Total £
Bank charges	12	12
Auditors' remuneration	3,305	3,150
Insurance	346	307
Meeting expenses	-	633
Sundries	479	572
Accountancy	19,970	17,700
Secretarial fees	<u>30,406</u>	<u>29,520</u>
	<u>54,518</u>	<u>51,894</u>

7. AUDITORS' REMUNERATION

	2020 £	2019 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>3,305</u>	<u>3,150</u>

The audit costs are entirely for external scrutiny and no other services are provided by the auditor.

8. TRUSTEES' REMUNERATION AND BENEFITS

The trustees receive no remuneration or other benefits for their work with the Trust (2019: £Nil)

Trustees' expenses

The reimbursement of trustee expenses were as follows:

	2020 £	2019 £
Meeting costs	<u>-</u>	<u>633</u>
	<u>-</u>	<u>633</u>
	<u>-</u>	<u>-</u>
Total number of trustees reimbursed for expenses	<u>-</u>	<u>1</u>

THE CHARLES & ELSIE SYKES TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

9. STAFF COSTS

The average monthly number of employees during the year was Nil (2019: Nil)

The Trust employed no staff during the year (2019: Nil).

10. 2019 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Permanent Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Investment income	640,981	-	640,981
EXPENDITURE ON			
Raising funds	-	25,800	25,800
Charitable activities			
Grant making	427,916	-	427,916
Total	427,916	25,800	453,716
Net gains on investments	-	1,716,928	1,716,928
NET INCOME	213,065	1,691,128	1,904,193
RECONCILIATION OF FUNDS			
Total funds brought forward	308,495	16,199,816	16,508,311
TOTAL FUNDS CARRIED FORWARD	<u>521,560</u>	<u>17,890,944</u>	<u>18,412,504</u>

11. INVESTMENT MANAGEMENT COSTS

Payments to the investment managers, UBS Wealth Management, comprise a management charge and commission on transactions made during the year. Commission can be charged on both the purchase and disposal of an investment. All management charges are attributable to endowment funds.

Commission deducted from disposal proceeds of investments is shown on the Statement of Financial Activity.

The commission included the purchase of investments is not included within the management charges figure on the face of the Statement of Financial Activity.

	2020 £	2019 £
Investment management charges		
Management charge	28,441	25,800
Commission included within the investments' costs	<u>22,026</u>	<u>25,186</u>
	<u>50,467</u>	<u>50,986</u>

THE CHARLES & ELSIE SYKES TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1 January 2020	17,596,475	287,376	17,883,851
Additions	9,282,604	939,417	10,222,021
Disposals	(9,627,032)	(699,999)	(10,327,031)
Revaluations	(253,749)	-	(253,749)
At 31 December 2020	<u>16,998,298</u>	<u>526,794</u>	<u>17,525,092</u>
NET BOOK VALUE			
At 31 December 2020	<u>16,998,298</u>	<u>526,794</u>	<u>17,525,092</u>
At 31 December 2019	<u>17,596,475</u>	<u>287,376</u>	<u>17,883,851</u>

	In the UK £	Outside the UK £
Cash and cash equivalents	526,794	-
Bond investments	2,681,230	-
Equity investments	8,914,280	4,574,664
Hedge funds	390,803	-
Property funds	437,321	-
	<u>12,950,428</u>	<u>4,574,664</u>

Individual investments held at the year end which represent over 5% of the portfolio value are:

	% Portfolio	Number Held	Market Value £	Cost £
UBS Investment Funds ICVC S&P 500 Index	6.6	4,953	1,115,982	652,973
Vanguard Funds PLC	5.5	32,898	940,389	983,057
			<u>2,056,371</u>	<u>1,636,030</u>

	2020 £	2019 £
Stock market investment disposals:		
Proceeds	10,020,816	7,037,349
Less opening cost	<u>(10,327,031)</u>	<u>(6,665,124)</u>
Gains/(losses) on disposal in the year	(306,215)	372,225
Revaluations	<u>(253,749)</u>	<u>1,334,703</u>
Net gains/(losses) on investments	<u>(559,964)</u>	<u>1,716,928</u>

THE CHARLES & ELSIE SYKES TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. FIXED ASSET INVESTMENTS - continued

	2020 £	2019 £
Investments held at fair value comprise:		
Cash and cash equivalents	526,794	287,376
Bond investments	2,681,230	3,042,410
Equity investments	13,488,944	13,642,458
Hedge funds	390,803	462,713
Property funds	437,321	448,894
	<u>17,525,092</u>	<u>17,883,851</u>

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the year end.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Accruals and deferred income	<u>40,952</u>	<u>62,649</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Accruals and deferred income	<u>36,000</u>	<u>35,500</u>

Reconciliation of Accruals for Grants Payable

	2020 £	2019 £
Carrying amount at start of year	95,000	136,000
Additional pledges	459,720	376,022
Settled in the year	<u>(482,720)</u>	<u>(417,022)</u>
Carrying amount at end of year	<u>72,000</u>	<u>95,000</u>
Due within one year	36,000	59,500
Due after more than one year	<u>36,000</u>	<u>35,500</u>
	<u>72,000</u>	<u>95,000</u>

A liability is recognised for any donation which has been announced to a beneficiary which has not yet been paid. These donations will be paid over the next four years.

THE CHARLES & ELSIE SYKES TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

15. PROVISIONS FOR LIABILITIES

On the 13 January 2020 an endowment of £228,365.60 was received by the Trust which was invested as part of the overall portfolio.

The terms of this endowment allowed for the donor to request for the funds to be returned with the approval of the Trustees. The amount returned would be based on the Sykes Trust's investment portfolio performance from the date the endowment was originally received.

At the 31 December 2020 it was calculated that if the endowment was requested to be returned, the amount repaid would be £220,876. A provision for this amount has been included in the financial statements.

At the date the financial statements were approved the timing of when the provision would be settled is uncertain.

	£
Provision at the start of year	-
Additions during the year	228,366
Amounts charged against provision during the year	<u>(7,489)</u>
Provision at the end of period	220,876

16. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General Fund	521,560	(4,847)	516,713
Permanent Endowment fund			
	17,890,944	(588,405)	17,302,539
	<u>18,412,504</u>	<u>(593,252)</u>	<u>17,819,252</u>
TOTAL FUNDS			

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	509,391	(514,238)	-	(4,847)
Permanent Endowment fund				
	-	(28,441)	(559,964)	(588,405)
	<u>509,391</u>	<u>(542,679)</u>	<u>(559,964)</u>	<u>(593,252)</u>
TOTAL FUNDS				

THE CHARLES & ELSIE SYKES TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. MOVEMENT IN FUNDS - continued

2019 Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General Fund	308,495	213,065	521,560
Permanent Endowment fund			
	16,199,816	1,691,128	17,890,944
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>16,508,311</u>	<u>1,904,193</u>	<u>18,412,504</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	640,981	(427,916)	-	213,065
Permanent Endowment fund				
	-	(25,800)	1,716,928	1,691,128
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>640,981</u>	<u>(453,716)</u>	<u>1,716,928</u>	<u>1,904,193</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.19 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General Fund	308,495	208,218	516,713
Permanent Endowment fund			
	16,199,816	1,102,723	17,302,539
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>16,508,311</u>	<u>1,310,941</u>	<u>17,819,252</u>

THE CHARLES & ELSIE SYKES TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

16. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	1,150,372	(942,154)	-	208,218
Permanent Endowment fund				
	-	(54,241)	1,156,964	1,102,723
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,150,372</u>	<u>(996,395)</u>	<u>1,156,964</u>	<u>1,310,941</u>

17. RELATED PARTY DISCLOSURES

The Trust's secretary, Mr Neil Shaw, is also a partner in LCF Law who act as solicitors for the Trust. For the secretarial services provided by his firm, fees were incurred during the year amounting to £30,406 (2019: £29,520) which were inclusive of VAT.

Mr John Campbell acts as the treasurer and is a director at DSC Chartered Accountants who also act for the trust as accountants and tax advisors. For the treasurer's duties, fees were incurred during the year amounting to £19,970 (2019: £17,700) which were inclusive of VAT.

There were no outstanding balances at the balance sheet date or in that of the previous period.