

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Report of the Trustees and

Financial Statements

for the Year Ended 31 March 2021

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

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THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Reference and Administrative Details for the Year Ended 31 March 2021

Trustees	P R W Hensman C S Fairclough J M Plumptre H Pring M M Scott
Principal address	1a Low House Business Centre Windermere Cumbria LA23 3NA
Registered charity number	1065424
Auditors	Haines Watts Manchester Limited, Statutory Auditor Northern Assurance Buildings 9-21 Princess Street Manchester M2 4DN
Bankers	Barclays Bank plc 9 Highgate Kendal Cumbria LA9 4DF
Investment advisers	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
Secretary:	S Wiggins of RJB Limited

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Report of the Trustees for the Year Ended 31 March 2021

The trustees present their report with the financial statements of the charity for the year ended 31 March 2021. 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).

Objectives and activities

Objectives and aims

The Brewery Arts Centre Endowment Trust (BACET) exists to provide financial assistance to the Kendal Brewery Arts Centre Trust Limited (KBACT).

The objective is met by establishing the amount of funding to be provided to KBACT, setting and maintaining a supportive investment policy and distributing an appropriate amount of income arising on the charity's general fund accordingly. The BACET trustees may, however, at their discretion also appropriate capital gains for this purpose.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives, in planning future activities and setting the grant making policy for the year.

The public benefit is the financial assistance provided to KBACT, itself a registered charity, in order to help it to continue to deliver its public benefit.

Grantmaking policy

Grants are only made to KBACT in accordance with the objectives stated above.

The trustees consider that no detriment or harm arises from the grants made.

Achievement and performance

Charitable activities

The trust's sole beneficiary, KBACT, continued to require support during the year and the trustees approved the maximum grant they thought was appropriate to support it.

Financial review

Financial position

The trust's support for its beneficiary is reliant on the income from its investments which was £52,707 (2020 - £78,810).

The fund managers' fees have increased to £9,701 (2020 - £8,319). In the previous year there was a refund of £2,193 relating to fees overcharged by a previous fund manager.

The funding provided to KBACT consisted of the normal maintenance grant from unrestricted funds of £55,200 (2020 - £66,000) plus an additional project grant of £12,000 (2020 - £39,055).

The secretarial fees decreased to £988 (2020 - £1,844).

The net gain on investment sales/revaluation was £316,775 (2020 - loss of £283,718) and was made up of a gain of £141,846 (2020 - loss of £20,456) on the sale of investments and an unrealised gain of £174,929 (2020 - loss of £263,262) on investments held at the year-end.

Total funds at the year end increased from £1,807,427 to £2,097,217 following the recovery of the stock market after the impact of COVID-19.

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Report of the Trustees for the Year Ended 31 March 2021

Financial review

Investment policy and performance

The trust's investment assets are managed by external fund managers, Cazenove Capital Management Limited. There were no restrictions on the charity's power to invest and the funds are invested in a portfolio of investment funds.

It is the objective of the trustees to invest the Trust funds to produce a distributable amount that, over time, grows, at a minimum, in line with inflation (as measured by CPI). To achieve this, they need to ensure that the real value of the endowment fund is maintained over the longer term.

During the year the trustees revised their investment policy to remove the constraints on investment cause by the need to generate a relatively large and growing income. The new policy is based on achieving a sustainable total return (income and capital gain) and on distributing part of the capital gain. This will allow the investment managers to invest in funds which, although producing little income, offer good capital growth.

The trustees, having taken advice from the Investment Manager, will determine, from time to time, the amount of the total return that can be distributed without compromising the investment objective. For distribution purposes this change in policy will take effect in the next financial year, beginning 1 April 2021.

As a result of the change in investment policy, a new benchmark was adopted for performance measurement. The benchmark operated by Cazenove Capital Management Limited for the Fund was constructed as follows:

Index	Benchmark weighting %
FTSE All Share/ FTSE World Index (ex UK)	70
FTA Government Securities All Stocks	15
7 Day LIBID	10
IPD Balance PUT	5

Total return for the year was 20.1% (2020: -10.4%); the benchmark return was 20.7% (2020: -8.1%).

The trustees recognise that the return over the year is slightly below that of the benchmark; they believe this is acceptable because the new benchmark and investment policy was only adopted in January 2021.

The trustees compared the performance of their Investment Managers with the benchmark over the period and longer term and kept this under regular review.

Reserves policy

The trustees need to retain sufficient cash in unrestricted funds to enable regular grant payments to be made to KBACT. Under the revised investment policy, they will authorise the transfer of sufficient funds from the Expendable Endowment to the Unrestricted Fund to maintain this position.

The Covid pandemic put KBACT under considerable financial strain during 2020 and the trustees resolved to use their Expendable Endowment to provide additional financial support. Accordingly £8,521 was transferred from Expendable Endowment to Unrestricted Funds and, with the balance of the £21,479 in the Income Invested Fund, was used to pay a special grant to KBACT of £42,000, £12,000 in 2020/21 and £30,000 in 2019/20.

As a result, unrestricted funds (free reserves) at 31 March 2021 were showing a surplus of £6,925 (2020 - £15,689) which the trustees believe is adequate to fund on-going grant payments.

Going concern

The trustees have considered the effect of the Covid-19 crisis on the charity. In the year ended 31 March 2020 there was a significant reduction in the investment values although these have recovered during the year to 31 March 2021. However, income from the fund reduced during the current year; to compensate for this, the trustees reduced the level of grant made to Kendal Brewery Arts Centre Trust. Furthermore, cash could be raised by the selling of investments held in the invested fund, which at the year end was £2,081,335. Based on these assessments and given the measures that could be undertaken to mitigate the current adverse conditions, the trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Report of the Trustees for the Year Ended 31 March 2021

Financial review

Risk management

The charity trustees have considered and reviewed the major risks to which the charity is exposed and have established systems and procedures to manage those risks. The trustees consider variability of investment returns on the permanent and expendable endowment funds to constitute the charity's major risk. This risk is managed by the appointment of external fund managers whose performance is regularly monitored by the trustees.

Internal control risks are minimised by the implementation of procedures for authorisation of all transactions. These procedures are periodically reviewed to ensure they continue to meet the needs of the charity.

Future plans

The charity plans to continue the activities outlined above in the forthcoming years subject to the satisfactory performance of its investment portfolio.

Structure, governance and management

Governing document

The trust was established by Deed of Trust dated 20 November 1997 which was amended by a Deed of Amendment of Declaration of Trust dated 25 February 2002.

BACET was established as a result of the great generosity of the Francis C. Scott and the Frieda Scott Charitable Trusts. Both trusts made donations totalling £1.550m in total, the purpose of which is, subject to the discretion of the BACET trustees, to generate funds to help defray the running costs of KBACT. The original donation must be maintained and is not available for distribution.

Recruitment and appointment of new trustees

Under the terms of the Deed of Amendment of Declaration of Trust dated 25 February 2002 the trustees of the Francis C. Scott Charitable Trust are entitled to nominate three trustees and the trustees of the Frieda Scott Charitable Trust are entitled to nominate two trustees. Trustees shall hold office for a term of five years from the date of their appointment and shall be eligible for re-appointment.

Organisational structure

The charity does not employ any staff directly, it used the services of RJBM Limited to provide secretarial services. Details of the trustees who served during the year are set out on page 1.

All trustees give of their time freely and no trustee remuneration or expenses were paid in the year. Trustees are required to disclose all relevant interests to the other trustees and in accordance with the charity's policy withdraw from decisions where a conflict of interest arises.

The trustees meet regularly in order, inter alia, to monitor the performance of the investment portfolio and to determine the level of maintenance funding to KBACT. There are no sub committees.

Induction and training of new trustees

An induction pack is available to any new trustee which includes a copy of the trust deed, a summary of the trust's objectives, a copy of the Charity Commission's guide on the duties of a trustee, details of the investment portfolio and the most recent financial statements.

Statement of trustees' responsibilities

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

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Report of the Trustees for the Year Ended 31 March 2021

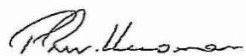
Statement of trustees' responsibilities - continued

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;
- 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 1 July 2021 and signed on its behalf by:



P R W Hensman - Trustee

Report of the Independent Auditors to the Trustees of The Brewery Arts Centre Endowment Trust

Opinion

We have audited the financial statements of The Brewery Arts Centre Endowment Trust (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet 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 (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 2021 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 Auditors' 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 trustees' 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. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

Report of the Independent Auditors to the Trustees of The Brewery Arts Centre Endowment Trust

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the 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.

Our responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

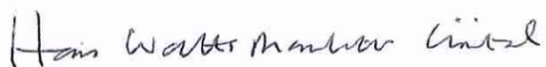
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- identifying and assessing the design and effectiveness of controls that management has in place to prevent and detect fraud;
- identifying and testing journal entries, in particular any journals we considered to be unusual;
- reviewing internal control reports of fund managers to assess reliance;
- performing sample testing on valuations of investments and dividends received to external sources;
- assessing minutes for grant commitments and payments;
- assessing the extent of compliance with applicable 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 Report of the Independent Auditors.

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 auditors' 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.



Haines Watts Manchester Limited, Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Northern Assurance Buildings
9-21 Princess Street
Manchester
M2 4DN

12 July 2021

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Statement of Financial Activities for the Year Ended 31 March 2021

	Notes	Unrestricted funds £	Expendable endowment £	Permanent endowment £	2021 Total funds £	2020 Total funds £
Income and endowments from						
Investment income	2	52,707	-	-	52,707	78,810
Expenditure on						
Raising funds	3	-	9,701	-	9,701	8,319
Charitable activities	4					
Grant funding		67,200	-	-	67,200	108,699
Other		2,792	-	-	2,792	-
Total		69,992	9,701	-	79,693	117,018
Net gains/(losses) on investments		-	316,776	-	316,776	(283,718)
NET INCOME/(EXPENDITURE)		(17,285)	307,075	-	289,790	(321,926)
Transfers between funds	12	8,521	(8,521)	-	-	-
Net movement in funds		(8,764)	298,554	-	289,790	(321,926)
Reconciliation of funds						
Total funds brought forward		15,689	241,738	1,550,000	1,807,427	2,129,353
Total funds carried forward		6,925	540,292	1,550,000	2,097,217	1,807,427

Continuing operations

All income and expenditure has arisen from continuing activities.

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Balance Sheet 31 March 2021

	Notes	Unrestricted funds £	Expendable endowment £	Permanent endowment £	2021 Total funds £	2020 Total funds £
Fixed assets						
Investments	10	-	531,335	1,550,000	2,081,335	1,774,294
Current assets						
Debtors		(11,455)	11,455	-	-	-
Prepayments and accrued income		2,910	-	-	2,910	753
Cash at bank		18,258	-	-	18,258	37,440
		<u>9,713</u>	<u>11,455</u>	<u>-</u>	<u>21,168</u>	<u>38,193</u>
Creditors						
Amounts falling due within one year	11	(2,788)	(2,498)	-	(5,286)	(5,060)
		<u>6,925</u>	<u>8,957</u>	<u>-</u>	<u>15,882</u>	<u>33,133</u>
Net current assets						
		<u>6,925</u>	<u>8,957</u>	<u>-</u>	<u>15,882</u>	<u>33,133</u>
Total assets less current liabilities		<u>6,925</u>	<u>540,292</u>	<u>1,550,000</u>	<u>2,097,217</u>	<u>1,807,427</u>
NET ASSETS		<u>6,925</u>	<u>540,292</u>	<u>1,550,000</u>	<u>2,097,217</u>	<u>1,807,427</u>
Funds	12					
Unrestricted funds:						
General fund					6,925	15,689
Endowment funds:						
Permanent endowment					1,550,000	1,550,000
Expendable endowment					540,292	241,738
					<u>2,090,292</u>	<u>1,791,738</u>
Total funds					<u>2,097,217</u>	<u>1,807,427</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 1 July 2021 and were signed on its behalf by:



P R W Hensman - Trustee

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Notes to the Financial Statements for the Year Ended 31 March 2021

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.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition - October 2019) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Preparation of financial statements on a going concern basis

The trustees have considered the effect of the Covid-19 crisis on the charity. In the year ended 31 March 2020 there was a significant reduction in the investment values although these have recovered during the year to 31 March 2021. However income from the fund reduced during the current year. To compensate for this, the trustees have reduced the level of grant made to Kendal Brewery Arts Centre Trust. Furthermore cash could be raised by the selling of investments held in the invested fund, which at the year end was £2,081,335. Based on these assessments and given the measures that could be undertaken to mitigate the current adverse conditions, the trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income, it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment manager.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the interest paid or payable by the bank or by the investment manager.

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 settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

1. Accounting policies - continued

Expenditure

Maintenance and project funding grants are charged in the year when the offer is conveyed to the recipient. No performance conditions are attached to the award of grants.

Investments

Investments are measured initially at their transaction value and are subsequently measured at their fair value at the balance sheet date using the closing quoted market price. Increases or decreases in the fair value each year are treated as unrealised gains or losses in the Statement of Financial Activities. Realised gains or losses shown in the Statement of Financial Activities represent the difference between the sales proceeds and the fair value at the beginning of the year or the transaction value if purchased during the year.

Fund accounting

General funds are available for use at the discretion of the trustees in furtherance of the general objectives of the trust.

The permanent endowment fund represents funds which the donors have stated are intended to be held as capital. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income.

The expendable endowment fund represents any capital appreciation of the original permanent endowment which, at the trustees' discretion, can be applied towards the objects of the charity.

Financial instruments

The charity's debtors and creditors are financial instruments which qualify as basic. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Investment income

	2021 £	2020 £
Dividends	52,707	78,752
Interest	-	58
	<u>52,707</u>	<u>78,810</u>

3. Raising funds

Investment management costs

	2021 £	2020 £
Fund managers' fees	<u>9,701</u>	<u>8,319</u>

The Trust received £nil (2020 - £2,193) as a refund of overcharged fees relating to earlier years. Including total charges in underlying funds, the Total Expense Ratio for the year was 1.34% (2020 - 1.29% excluding the refund received).

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

4. Charitable activities costs

Grant
funding of
activities
(see note
5)
£
67,200

Grant funding

5. Grants payable

2021

2020

£

£

Grant funding

67,200

105,055

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

2021

2020

£

£

Kendal Brewery Arts Centre Trust Limited

67,200

105,055

The above includes a project grant of £12,000 (2020 - £30,000) given in the year.

6. Support costs

Governance
costs
£
2,792

Other resources expended

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

Governance costs

2021
Other
resources
expended
£

2020

Total
activities
£

Auditors' remuneration

1,320

1,320

Auditors' remuneration for non audit work

480

480

Sundries

4

-

Secretarial fees

988

1,844

2,792

3,644

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

7. Auditors' remuneration

	2021 £	2020 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	1,320	1,320
Auditors' remuneration for non audit work	480	480

8. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

9. Comparatives for the statement of financial activities

	Unrestricted funds £	Expendable endowment £	Permanent endowment £	Total funds £
Income and endowments from				
Investment income	78,810	-	-	78,810
Expenditure on				
Raising funds	90	8,229	-	8,319
Charitable activities				
Grant funding	108,699	-	-	108,699
Total	108,789	8,229	-	117,018
Net gains/(losses) on investments	(4,594)	(279,124)	-	(283,718)
NET INCOME/(EXPENDITURE)	(34,573)	(287,353)	-	(321,926)
Transfers between funds	2,193	(2,193)	-	-
Net movement in funds	(32,380)	(289,546)	-	(321,926)
Reconciliation of funds				
Total funds brought forward	48,069	531,284	1,550,000	2,129,353
Total funds carried forward	15,689	241,738	1,550,000	1,807,427

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

10. Fixed asset investments

	Listed investments £	Cash and settlements pending £	Totals £
Market value			
At 1 April 2020	1,769,304	4,990	1,774,294
Additions	913,173	1,102,532	2,015,705
Disposals	(1,100,923)	(924,517)	(2,025,440)
Revaluations	316,776	-	316,776
	<u>1,898,330</u>	<u>183,005</u>	<u>2,081,335</u>
At 31 March 2021			
	<u>1,898,330</u>	<u>183,005</u>	<u>2,081,335</u>
Net book value			
At 31 March 2021	<u>1,898,330</u>	<u>183,005</u>	<u>2,081,335</u>
At 31 March 2020	<u>1,769,304</u>	<u>4,990</u>	<u>1,774,294</u>

Investments at market value are represented by:

	2021 £	2020 £
Fixed interest securities	236,835	213,418
UK equities	281,768	665,096
Overseas equities	1,082,067	504,049
Multi-asset funds	122,478	209,643
Alternative funds	174,978	176,895
Cash instruments	183,208	5,193
	<u>2,081,334</u>	<u>1,774,294</u>

Material investments:

The trustees consider 5% of the year end market value of the investment portfolio to be material.

	2021 £	2020 £
Charity Equity Income Fund	229,241	189,277
Schroder Asian Income Fund	97,627	98,703
M&G Global Dividend Fund	109,288	188,557
Trojan Investment Funds	122,478	209,643
Schroder Strategic Credit Fund	130,170	160,393
Trojan Income Fund S	52,527	277,559
Charities Property Fund	120,363	123,339
J O Hambro UK Equity Income Fund	-	128,721
JP Morgan US Equity Income Fund	-	101,045
Vanguard S&P	131,418	-
	<u>1,311,072</u>	<u>1,311,072</u>

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

10. Fixed asset investments - continued

Historical cost

	2021 £	2020 £
At beginning of the year	1,845,364	1,919,155
Acquisitions at cost	913,172	118,056
Sales at cost	(1,006,995)	(191,847)
At end of the year	1,751,541	1,845,364

Movement in unrealised gains

	2021 £	2020 £
At beginning of the year	(76,060)	190,259
Less in respect of sales in the year	47,917	(3,057)
Add/(deduct) in respect of increase/(decrease) in market value in the year	174,930	(263,262)
At end of the year	146,788	(76,060)

Sales during the year

	2021 £	2020 £
Proceeds	1,100,923	174,448
Market value	(959,077)	(194,904)
Realised gain/(loss)	141,846	(20,456)

11. Creditors: amounts falling due within one year

	2021 £	2020 £
Accrued expenses	5,286	5,060

12. Movement in funds

	At 1/4/20 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
Unrestricted funds				
General fund	15,689	(17,285)	8,521	6,925
Endowment funds				
Permanent endowment	1,550,000	-	-	1,550,000
Expendable endowment	241,738	307,075	(8,521)	540,292
	1,791,738	307,075	(8,521)	2,090,292
TOTAL FUNDS	1,807,427	289,790	-	2,097,217

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

12. Movement in funds - continued

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	52,707	(69,992)	-	(17,285)
Endowment funds				
Expendable endowment	-	(9,701)	316,776	307,075
TOTAL FUNDS	<u>52,707</u>	<u>(79,693)</u>	<u>316,776</u>	<u>289,790</u>

Comparatives for movement in funds

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
Unrestricted funds				
General fund	21,906	(29,889)	23,672	15,689
Income invested fund	26,163	(4,684)	(21,479)	-
	<u>48,069</u>	<u>(34,573)</u>	<u>2,193</u>	<u>15,689</u>
Endowment funds				
Permanent endowment	1,550,000	-	-	1,550,000
Expendable endowment	531,284	(287,353)	(2,193)	241,738
	<u>2,081,284</u>	<u>(287,353)</u>	<u>(2,193)</u>	<u>1,791,738</u>
TOTAL FUNDS	<u>2,129,353</u>	<u>(321,926)</u>	<u>-</u>	<u>1,807,427</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	78,810	(108,699)	-	(29,889)
Income invested fund	-	(90)	(4,594)	(4,684)
	<u>78,810</u>	<u>(108,789)</u>	<u>(4,594)</u>	<u>(34,573)</u>
Endowment funds				
Expendable endowment	-	(8,229)	(279,124)	(287,353)
TOTAL FUNDS	<u>78,810</u>	<u>(117,018)</u>	<u>(283,718)</u>	<u>(321,926)</u>

Permanent endowment fund

This represents funds of £1,550,000 originally received from both The Francis C Scott Charitable Trust and The Frieda Scott Charitable Trust under the Declaration of Trust dated 25 September 1997 ("the Trust Deed").

THE BREWERY ARTS CENTRE ENDOWMENT TRUST

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

12. Movement in funds - continued

Expendable endowment

Under the terms of the Trust Deed any capital appreciation of the original total donation of £1,550,000 can, at the discretion of the trustees, be applied towards the objects of the charity.

Income invested fund

The Income invested fund represents surplus income brought forward that has been invested and will be available to fund future project grants. During the prior year the fund balance was transferred to the general fund to support a project grant of £30,000.

Transfers between funds

During the year £8,521 (2020 - £nil) was transferred from the endowment fund to general funds towards the project grant of £12,000.

During the previous year the income invested fund balance of £21,479 was released from the income invested fund to the general fund towards the project grant of £30,000. The fund balance at 31 March 2021 is £nil (2020 - £nil).

The refund of investment management fees of £nil (2020 - £2,193) to the endowment fund has been transferred to the general funds to distribute as income.

13. Related party disclosures

There are no related party transactions.