

REGISTERED COMPANY NUMBER: CE022211 (England and Wales)
REGISTERED CHARITY NUMBER: 1189984

Report of the Trustees and
Unaudited Financial Statements
for the Period 17th June 2020 to 31st March 2021
for
THE PHILIP & CONNIE PHILLIPS FOUNDATION

THE PHILIP & CONNIE PHILLIPS FOUNDATION

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for the period 17th June 2020 to 31st March 2021**

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THE PHILIP & CONNIE PHILLIPS FOUNDATION

Report of the Trustees for the period 17th June 2020 to 31st March 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period 17th June 2020 to 31st 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).

INCORPORATION

The charitable company was incorporated on 17th June 2020 and commenced trading on the same date.

OBJECTIVES AND ACTIVITIES

Objectives and activities for the public benefit

The purposes of the Foundation are to further the charitable intentions set out in the wills of Philip and Connie Phillips, who were both long term residents of Kent. The Foundation makes grants to support charities in the county who demonstrate their impact on the health and wellbeing of their local community, with an emphasis on supporting elderly people who are isolated and vulnerable, and combating the effects of deprivation, such as food poverty and homelessness.

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, in planning future activities, and setting the grant making policy for the year. The Trust furthers its charitable purposes for the public benefit through its grant-making policy, which focuses on the aforementioned areas.

Grant making policy

The Foundation has established its grant making policy to achieve its objects for the public benefit. It aims to improve the lives of those in Kent who are impacted by poverty, loneliness and vulnerability, with a focus on the county's elderly population. The policy is reviewed annually to ensure that it reflects the charity's objects and thereby advances public benefit.

The Foundation invites applications from charities for grants via its website. Eligibility is restricted to include only charities operating in the county whose objects are aligned with those of the Foundation.

During this first period of operation, the Foundation made several one-off donations in line with the Trustees' assessment of the Phillips family's wishes. These will be the only grants made outside of the application process.

ACHIEVEMENT AND PERFORMANCE

The Foundation was established as a charity in this first period, while the legacy funds were placed with an investment manager.

During the period the Foundation also established a new Trustee Board; agreed an assessment process; instigated new grantmaking systems including an online application form and payment system integrated with Salesforce software; and set up its website. The new Foundation aims to be almost paperless.

One-off donations were made to charities that the Trustees considered would be in line with the wishes of Connie and Philip Phillips, as well as their family. The benefitting charities were as follows:

- British Heart Foundation
- Bromley, Lewisham and Greenwich Mind
- Kent, Surrey and Sussex Air Ambulance
- RNLI
- Macmillan Cancer Support
- Prostate Cancer UK
- Cats Protection League

THE PHILIP & CONNIE PHILLIPS FOUNDATION

Report of the Trustees for the period 17th June 2020 to 31st March 2021

Monitoring achievement

While one-off donations will not be subject to a monitoring process, given the size of the recipients, future grants awarded to successful applicants will be reviewed by the Trustees to ensure that the funds given were used appropriately and strictly for the purposes requested in the grant applications.

The performance of the investment portfolio will be reviewed regularly by the board of Trustees, members of which hold the relevant qualifications and experience to do so meaningfully.

FINANCIAL REVIEW

The Foundation's work is reliant on its investment returns and its investment capital on which it may draw down. The majority of funds were placed with an investment manager part way through this first year of operation and, while dividends were received (£17,397), it would be difficult to review overall investment performance over this short timeframe. At the period end the net assets of the charity totalled £2,429,103, with investments held valued at £2,015,993.

Investment policy and performance

The Foundation's investment advisors (Rathbones) are instructed to invest to maximise the total return on funds placed with them within the constraints of a medium to low risk investment portfolio. The investment brief is broadly defined but the ethical criteria prohibit investment in companies that manufacture armaments, alcohol or tobacco.

The trustees have established a policy for a complete withdrawal of funds over a ten year period. The policy aims to optimise returns on investment during this period so as to maximise its grant expenditure. The high levels of stock market volatility and the continuing uncertainty regarding world economic prospects mid and post-pandemic makes the performance of investments difficult to predict.

Risk management

The principal risks faced by the Foundation lie in the performance of investments and operational risks from ineffective grant making and the capacity of the Foundation to make effective grants. This risk has been intensified by the global pandemic of COVID-19 and continued uncertainty which could result in a loss to investment value and a reduced investment income. This risk is mitigated by retaining expert investment managers and having a diversified investment portfolio.

The operational risk from ineffective grant awards is managed by retaining trustees of appropriate experience and ensuring that strict procedures are followed throughout the grant application and award procedure. Grants made will be monitored to ensure that they have been used for the express purpose that they were applied for.

Reserves policy

The trustees aim to maintain free reserves at a level which equates to approximately twelve months of unrestricted charitable expenditure. The trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered. The balance held as unrestricted funds at 31 March was £2,429,103.

Plans for the future

The charity will establish its regular grant making cycle, with its first grants being made in May 2021. The plans made may need to be reassessed depending on the impact of COVID-19 and how it affects the activities of potential grant applicants. Work will continue to promote the charity to ensure that those with aligning objects are aware of its existence.

THE PHILIP & CONNIE PHILLIPS FOUNDATION

**Report of the Trustees
for the period 17th June 2020 to 31st March 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Foundation is a charitable incorporated organisation, registered on 17 June 2020. It was established by an initial gift in the wills of Connie and Philip Phillips, who resided in Kent before they died. The Foundation does not actively fundraise and seeks to continue its charitable work through the careful stewardship of these resources.

The Charity Governing document allows the trustees to meet and conduct meetings virtually which the trustees have done this year in line with Government restrictions and recommendations. At the quarterly trustees' meetings, the trustees agree the broad strategy and areas of activity for the Trust, including consideration of grant making, investment, reserves and risk management policies and performance.

The trustees consider the board of trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
CE022211 (England and Wales)

Registered Charity number
1189984

Registered office
Suffolk House
George Street
Croydon
Surrey
CR0 0YN

Trustees

Mrs D J Wilkes (appointed 17.6.20)
P du Casse (appointed 17.6.20)
J Austin (appointed 17.6.20)
Ms L Hollands (appointed 17.6.20)
Ms J Davies (appointed 17.6.20)

Approved by order of the board of trustees on 26 January 2022 and signed on its behalf by:



Ms L Hollands - Trustee

**Independent Examiner's Report to the Trustees of
The Philip & Connie Phillips Foundation**

Independent examiner's report to the trustees of The Philip & Connie Phillips Foundation ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the period 17th June 2020 to 31st March 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

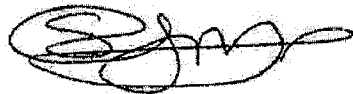
Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ACA which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for 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)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Stephen Monger
ACA



Date: 26-1-2022

10 St Edith's Road
Kensington
W8 7HT
TNSGPT

THE PHILIP & CONNIE PHILLIPS FOUNDATION

Statement of Financial Activities
for the period 17th June 2020 to 31st March 2021

	Notes	Unrestricted fund £
INCOME AND ENDOWMENTS FROM		
Donations and legacies	2	2,521,700
Investment income	3	<u>17,588</u>
Total		2,539,288
EXPENDITURE ON		
Raising funds	4	10,139
Charitable activities	5	
Grants paid in the year		85,000
Other		<u>20,635</u>
Total		115,774
Net gains on investments		<u>5,589</u>
NET INCOME		<u>2,429,103</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>2,429,103</u></u>

The notes form part of these financial statements

THE PHILIP & CONNIE PHILLIPS FOUNDATION

Balance Sheet
31st March 2021

	Notes	Unrestricted fund £
FIXED ASSETS		
Investments	9	2,015,993
CURRENT ASSETS		
Cash at bank		420,425
CREDITORS		
Amounts falling due within one year	10	(7,315)
		<hr/>
NET CURRENT ASSETS		<u>413,110</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 2,429,103
NET ASSETS		<u>2,429,103</u>
FUNDS		
Unrestricted funds	11	<u>2,429,103</u>
TOTAL FUNDS		<u>2,429,103</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31st March 2021.

The members have not required the company to obtain an audit of its financial statements for the period ended 31st March 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements were approved by the Board of Trustees and authorised for issue on 26 January 2022 and were signed on its behalf by:


L Hollands - Trustee


J Davies - Trustee

The notes form part of these financial statements

THE PHILIP & CONNIE PHILLIPS FOUNDATION

Cash Flow Statement
for the period 17th June 2020 to 31st March 2021

	Notes	£
Cash flows from operating activities		
Cash generated from operations	1	<u>2,413,241</u>
Net cash provided by operating activities		<u>2,413,241</u>
Cash flows from investing activities		
Purchase of fixed asset investments		(2,113,039)
Sale of fixed asset investments		102,635
Interest received		191
Dividends received		<u>17,397</u>
Net cash (used in)/provided by investing activities		<u>(1,992,816)</u>
		<hr/>
Change in cash and cash equivalents in the reporting period		420,425
Cash and cash equivalents at the beginning of the reporting period		<u>-</u>
Cash and cash equivalents at the end of the reporting period		<u><u>420,425</u></u>

The notes form part of these financial statements

THE PHILIP & CONNIE PHILLIPS FOUNDATION

Notes to the Cash Flow Statement
for the period 17th June 2020 to 31st March 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	£
Net income for the reporting period (as per the Statement of Financial Activities)	2,429,103
Adjustments for:	
Interest received	(191)
Dividends received	(17,397)
(Gains)/Losses on investments	(5,589)
Increase in creditors	<u>7,315</u>
Net cash provided by operations	<u><u>2,413,241</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 17.6.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank	<u>-</u>	<u>420,425</u>	<u>420,425</u>
	<u>-</u>	<u>420,425</u>	<u>420,425</u>
Total	<u><u>-</u></u>	<u><u>420,425</u></u>	<u><u>420,425</u></u>

Notes to the Financial Statements
for the period 17th June 2020 to 31st March 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, 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 Companies Act 2006. 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.

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

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening carrying value (or purchase date if later).

Fixed asset investments

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposal throughout the year.

THE PHILIP & CONNIE PHILLIPS FOUNDATION

**Notes to the Financial Statements - continued
for the period 17th June 2020 to 31st March 2021**

2. DONATIONS AND LEGACIES	
Legacies	£ <u>2,521,700</u>
3. INVESTMENT INCOME	
Dividends received	£ 17,397
Deposit account interest	<u>191</u>
	<u>17,588</u>
4. RAISING FUNDS	
Investment management costs	
Portfolio management	£ <u>10,139</u>
5. CHARITABLE ACTIVITIES COSTS	
Grants paid in the year	Grant funding of activities (see note 6) £ <u>85,000</u>
6. GRANTS PAYABLE	
Grants paid in the year	£ <u>85,000</u>
The total grants paid to institutions during the period was as follows:	
British Heart Foundation	£ 15,000
Bromley, Lewisham & Greenwich Mind Ltd	15,000
Kent, Surrey & Sussex Air Ambulance Trust	15,000
The Royal National Lifeboat Institution	15,000
Cats Protection	5,000
Prostate Cancer UK	10,000
Macmillan Cancer Support	<u>10,000</u>
	<u>85,000</u>

THE PHILIP & CONNIE PHILLIPS FOUNDATION

Notes to the Financial Statements - continued
for the period 17th June 2020 to 31st March 2021

7. SUPPORT COSTS

	Information technology	Other	Governance costs	Totals
	£	£	£	£
Other resources expended	<u>9,225</u>	<u>1,825</u>	<u>9,585</u>	<u>20,635</u>

Governance costs were higher than they will be during this first period, due to the additional expenditure incurred relating to establishing the charity, formalising its processes and investing its funds.

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the period ended 31st March 2021.

Trustees' expenses

There were no trustees' expenses paid for the period ended 31st March 2021.

9. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
Additions at cost	2,113,039
Disposals at carrying value	(100,485)
Net gain on revaluation	<u>3,439</u>
At 31st March 2021	<u>2,015,993</u>
NET BOOK VALUE	
At 31st March 2021	<u>2,015,993</u>

Investments comprise of:

Fixed interest securities	289,082
Equities	1,134,617
Alternatives	384,075
Cash	<u>208,219</u>
	<u>2,015,993</u>

THE PHILIP & CONNIE PHILLIPS FOUNDATION

Notes to the Financial Statements - continued
for the period 17th June 2020 to 31st March 2021

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Accruals and deferred income	£ <u>7,315</u>
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11. MOVEMENT IN FUNDS

	Net movement in funds £	At 31.3.21 £
Unrestricted funds		
General fund	2,429,103	2,429,103
	<hr/>	<hr/>
TOTAL FUNDS	<u>2,429,103</u>	<u>2,429,103</u>

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	2,539,288	(115,774)	5,589	2,429,103
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>2,539,288</u>	<u>(115,774)</u>	<u>5,589</u>	<u>2,429,103</u>

12. RELATED PARTY DISCLOSURES

During the year, the charity incurred expenses of £2,340 from Simpson Wreford and Partners, an accountancy firm which Mrs D J Wilkes and P du Casse jointly control with others. These expenses were split between statutory accounting services (£900) and start up costs (£1,440).