
The Hintze Family Charitable Foundation

Report and Financial Statements

For the year ended 31 December 2016

Registered with the Charity Commission
Charity No: 1101842

The Hintze Family Charitable Foundation
Report and financial statements for the year ended 31 December 2016

Contents

Page:

1	Reference and administrative information
2	Report of the Trustees
6	Report of the independent auditors
8	Statement of financial activities
9	Balance sheet
10	Statement of cash flows
11	Notes forming part of the financial statements

The Hintze Family Charitable Foundation
Report and financial statements for the year ended 31 December 2016

Reference and administrative information

Trustees	Sir Michael Hintze Sir Michael Peat Duncan Baxter Adam Sorab (retired 3 rd March 2016) Jonathan Hellewell (retired 26 th September 2016)
Chief Executive	Lady (Dorothy) Hintze
Charity Number	1101842
Secretary	Jeremy Herridge (resigned 13 th May 2016) Kate Rees-Doherty (appointed 14 th May 2016)
Headquarters	4 th Floor 1 Strand London WC2N 5HR
Auditors	BDO LLP 2 City Place Beehive Ring Road Gatwick RH6 0PA
Bankers	C Hoare & Co 37 Fleet Street London EC4P 4DQ Credit Suisse (Channel Islands) Limited PO Box 368 St Peter Port Guernsey Channel Islands GY1 3YJ
Investment Manager	Thurleigh Investment Managers LLP (wholly owned within Ingenious Asset Management) 15 Golden Square London W1F 9JG

The Hintze Family Charitable Foundation

Report of the Trustees for the year ended 31 December 2016

The Trustees present their report together with the financial statements of the Foundation for the year ended 31 December 2016. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Structure, governance and management

The Hintze Family Charitable Foundation is constituted under a trust deed dated 23 December 2003 and is registered with the Charity Commission under charity no. 1101842 with effect from 30 January 2004. The Foundation is based in the UK with its office in London.

The power to appoint new Trustees rests with the Board of Trustees. The Trust Deed requires there to be a minimum of three Trustees appointed at any one time. On appointment, the administration and management processes of the Foundation are explained to the new trustee. Apart from the founding trustee, each trustee must retire from their position after three years, but may be re-elected.

The Trustees are required to hold at least two ordinary meetings during the year. Three trustee meetings were held during 2016. At these meetings, the Trustees agree the broad strategy and areas of activity for the Foundation, including grant making, investment, reserves, risk management policies and performance.

No trustee remuneration is paid and no trustee expenses were paid during 2016. Related party transactions are disclosed in note 11 to the accounts. Trustees are required to disclose all relevant interests and register them with the Chief Executive and, in accordance with the Foundation's policy, withdraw from decisions where a conflict of interest arises.

The day-to-day administration of the Foundation is delegated to the Chief Executive and the Secretary. Dorothy, Lady Hintze was the Chief Executive of the Foundation throughout the year. The Foundation employs no other staff. The services of the Foundation's Secretary are provided by CQS (UK) LLP without charge. A paid consultant provides administrative support.

Constitution and objectives

The principal objectives of the Foundation are, for the public benefit,:

- to advance education by supporting schools, colleges and universities;
- to support museums, libraries and art galleries and in particular to promote access for the general public to works of artistic, scientific, historic, architectural or cultural importance;
- to support the Christian faith and institutions;
- to relieve sickness and protect and preserve public health through projects to benefit the sick and terminally ill; and
- to further such other purposes which are charitable in accordance with the laws of England and Wales as the Trustees think fit provided that in so doing the charity shall not relieve any local authority or other body from its statutory obligations.

The Hintze Family Charitable Foundation
Report of the Trustees for the year ended 31 December 2016 (continued)

Grant making policy

The Foundation invites applications for grants from charities which further the objectives of the Foundation. No specific format is required for applications. Applications and potential donations identified by the Chief Executive and the Trustees are considered at Trustees' meetings.

Review of activities for the public benefit

The Trustees have paid due regard to the Charity Commission's guidance on Public Benefit in deciding what activities the Foundation should undertake. The Trustees are satisfied that the Foundation met its objectives during the period.

The Foundation does not undertake any fund-raising activities and makes grants to meet its charitable objectives from unsolicited donations and from its investments.

During the period the Foundation pledged £8,604,405 (2015: £4,017,912). Commitments of £50,000 or more were pledged to the following charities.

Educational

- 1) \$10,000,000 (\$2,000,000 per annum for five years) to Harvard Business School. \$1,000,000 is to establish a current-use fund, the Dorothy and Michael Hintze Faculty Fellowship and \$9,000,000 to establish an endowed fund, the Dorothy and Michael Hintze Professorship of Business Administration.
- 2) £75,000 (£25,000 per annum over three years) to Fulham Palace Trust.
- 3) £50,000 (paid in four quarterly instalments of £12,500) to the Institute of Economic Affairs.
- 4) £250,000 (£50,000 per annum over five years, to be paid in quarterly instalments of £12,500) to the Stephen Hawking Foundation.

Cultural/Arts

- 5) £250,000 (£125,000 per annum over two years) to The Tate Gallery, restricted to support *The Ferry* by *William Scott of Oldham*.
- 6) £125,000 (£25,000 per annum over five years) to the Royal Drawing School.

Armed Services

- 7) £500,000 to The Royal Navy and Royal Marines Charity to be paid in instalments when required by the charity.

Financial review, reserves and investment strategy

During the year the Foundation distributed donations of £5,370,516 (2015: £4,587,345), of which £2,961,577 (2015: £3,308,964) was committed in previous years. At year end, the Foundation was committed to £14,682,912 (2015: £10,432,687 as restated to reflect discounting of grant commitments) of donations over the next 17 years.

Total support costs were £41,450 (2015: £40,712) during the year and predominately relate to staff and consultancy.

The Hintze Family Charitable Foundation
Report of the Trustees for the year ended 31 December 2016 (continued)

Investment strategy

The investment strategy takes into account the income requirements of the Foundation while maximising within the Foundation's risk approach returns for future donations.

The Foundation has three directly held securities listed on the London Stock Exchange, investments in the CQS Credit Multi Asset Fund and Directional Opportunities Fund, as well an investment in a Social Impact Bond. The combined value of all investments was £7,977,484 (2015: £5,560,828).

Under the Trust Deed a Trustee must absent himself or herself from any discussions of the Trustees in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the charity and any personal interest (including but not limited to any personal financial interest). Regarding the investments in the CQS funds, by virtue of his ultimate beneficial ownership of the CQS group, Sir Michael Hintze duly disclosed his interest and was excluded from all discussions and decisions in relation to the investments. After careful consideration the funds were considered the best investment option by the other Trustees, in comparison to other options available, in terms of performance, risk, currency, liquidity and suitability in relation to the Foundation's pledges and other creditor obligations in line with the Foundation's approved procedures.

The majority of investments managed by a third party were withdrawn during the year to enable the Foundation to make distributions in accordance with its grant making policy. Further details of investments may be found in note 8 to the financial statements.

The Trustees review the Foundation's investments on a regular basis and remain of the view that over the medium term the portfolio will provide a satisfactory return.

There are no restrictions on the Foundation's power to invest.

Reserves policy

As at 31 December 2016 the Foundation had reserves of £4,208,158 held as unrestricted funds. The reserves provide a pool of funds to support future pledges. The Trustees do not set a target level for reserves but review them regularly to ensure that resources are available to cover pledges.

Risk management

The Trustees identify and review the major risks which the Foundation faces on a regular basis and are satisfied that systems and procedures are in place to manage those risks.

Statement of policy on fundraising

Section 162a of the Charities Act 2011 requires us to make a statement regarding fundraising activities because we have an external audit. We do not undertake any fundraising activities, although we can accept offers to contribute to work that we undertake. We show these sums in our accounts as "voluntary income". We do not use professional fundraisers or 'commercial participators' or indeed any third parties to solicit donations. We are therefore not subject to any regulatory scheme or relevant codes of practice, nor have we received any complaints in relation to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

Future plans

The Trustees plan to continue to make distributions in accordance with their grant making policy and to ensure that an appropriate level of reserves is maintained.

The Hintze Family Charitable Foundation
Report of the Trustees for the year ended 31 December 2016 (continued)

Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Trustees are required to:

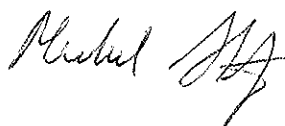
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. 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.

Auditors

BDO LLP has expressed its willingness to continue in office.

Approved by the Trustees on the 25th October 2017 and signed on their behalf by:



Sir Michael Hintze
Trustee



Sir Michael Peat
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HINTZE FAMILY CHARITABLE FOUNDATION

We have audited the financial statements of The Hintze Family Charitable Foundation for the year ended 31 December 2016 which comprise statement of financial activities, the balance sheet, the cash flow statement and the related notes. 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).

This report is made solely to the charity's Trustees, as a body, in accordance with the Charities Act 2011. 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.

Respective responsibilities of Trustees and auditors

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2016 and of the charity's incoming resources and application of resources, including the 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.

The Hintze Family Charitable Foundation
Report of the independent auditors (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report 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.

BDO LLP

Fiona Condron (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, United Kingdom

Date 30 October 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Hintze Family Charitable Foundation
Statement of Financial Activities for the year ended 31 December 2016

	Note	2016 £	Restated 2015 £
Income			
Donations:			
Voluntary Income	2	9,834,106	4,803,353
Investment income	3	102,200	80,258
Total Income		9,936,306	4,883,611
Expenditure			
Raising funds	4	(39,554)	(56,809)
Charitable expenditure	7	(9,422,963)	(4,195,010)
Total Expenditure		(9,462,517)	(4,251,819)
Net Gains on investment assets	8	1,497,932	219,961
Net income		1,971,721	851,753
Funds brought forward		2,236,437	1,384,684
Total Funds carried forward		4,208,158	2,236,437

All retained funds are unrestricted.

All amounts relate to continuing activities.

The notes on pages 11 to 19 form part of these financial statements.

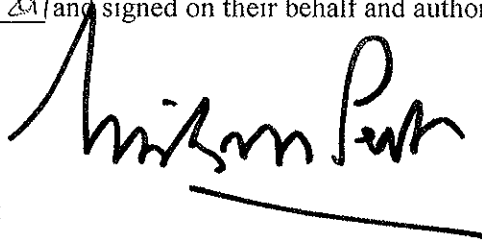
The Hintze Family Charitable Foundation
Balance Sheet as at 31 December 2016

	Note	2016 £	Restated 2015 £
Fixed assets			
Investments	8	<u>7,977,484</u>	<u>5,560,828</u>
Current assets			
Debtors	9	9,738,276	4,000,812
Cash at bank and in hand		1,185,721	3,113,073
Creditors: amounts falling due within one year	10	<u>(5,197,200)</u>	<u>(3,389,415)</u>
Net current assets		5,726,797	3,724,470
Creditors: amounts falling due after more than one year	10	<u>(9,496,123)</u>	<u>(7,048,861)</u>
Total net assets		<u>4,208,158</u>	<u>2,236,437</u>
Unrestricted funds		<u>4,208,158</u>	<u>2,236,437</u>

Approved by the Trustees on the 25th October 2017 and signed on their behalf and authorised for issue by:



Sir Michael Hintze
Trustee



Sir Michael Peat
Trustee

The notes on pages 11 to 19 form part of these financial statements.

The Hintze Family Charitable Foundation
Statement of Cash Flows for the year ending 31 December 2016

	2016	Restated 2015
	£	£
<i>Net income for the year</i>	1,971,721	851,753
Adjustments for:		
Gains on investments	(1,497,932)	(219,961)
Dividends and interest from investment	(102,201)	(80,258)
(Increase)/decrease in debtors	(5,738,276)	62,500
Increase/(decrease) in creditors	4,255,047	(675,088)
Foreign exchange gain on bank accounts	(387,770)	(97,322)
Cash flows from operating activities:		
<i>Net cash (used in) operating activities</i>	(1,499,411)	(158,376)
Cash flows from investing activities:		
Dividends and interest from investments	103,012	143,672
Proceeds from sale of investments	7,091,373	3,038,942
Purchase of investments	(8,010,096)	(2,830,971)
<i>Net cash (used in)/ provided by investing activities</i>	(815,711)	351,643
<i>Change in cash and cash equivalents in the reporting period</i>	(2,315,122)	193,267
Non cash flow movement due to foreign exchange	387,770	97,322
Cash and cash equivalents at the beginning of the reporting period	3,113,073	2,822,484
<i>Cash and cash equivalents at the end of the reporting period</i>	1,185,721	3,113,073
Analysis of cash and cash equivalents		
	2016	2015
	£	£
Cash in hand	1,185,721	1,082,806
Notice deposits (less than 3 months)	-	2,030,267
<i>Total cash and cash equivalents</i>	1,185,721	3,113,073

1. Principal accounting policies

(a) Accounting conventions

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of investments at market value.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (effective 1 January 2015), the Charities SORP (FRS102) and the Charities Act 2011.

The Foundation constitutes a public benefit entity as defined by FRS102.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS102 a restatement of comparative items was needed. The Statement of Financial Activities for the year ending 31 December 2015 and the Balance Sheet at 1 January 2015 and as at 31 December 2015 have been restated to reflect the present value of grant commitments. Further details are included in note 1i to the accounts.

The financial statements are prepared on the going concern basis which assumes that The Hintze Family Charitable Foundation will continue in operational existence for the foreseeable future. The Board of Trustees have considered the working capital and cash flow requirements and consider that the current and forecast cash resources are sufficient to cover the working capital requirements of the charity for at least 12 months.

(b) Fund accounting

Funds held by the charity are unrestricted general funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

(c) Fixed asset investments

Fixed asset investments are included at closing market values at the balance sheet date or at the Trustees' estimated value where there is no market value. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

(d) Income

Income from donations is included in incoming resources when receivable. Gifts in kind comprising listed securities are marked to market on the date of receipt.

Donated services and facilities have not been included in the accounts as they are not material in the context of the accounts.

(e) Investment income

Investment income is accounted for in the period in which it becomes due to the Foundation.

(f) Expenditure

Expenditure is included on an accruals basis. Grants payable are recognised as expenditure in the year in which the Foundation becomes legally obliged or enters into a non-legally binding commitment to make payment.

1 Principal accounting policies (continued)

(g) Foreign currencies

Transactions in foreign currencies are recorded at the rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the balance sheet date. All foreign exchange differences are taken to the Statement of Financial Activities, and are allocated to the particular commitment to which they relate or, if unrelated to a particular commitment, pro rata to the total charitable commitments entered into during the year.

(h) Realised and unrealised 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 cost. Unrealised gains and losses are calculated as the difference between market or Trustees' valuation at the year end and opening market or Trustees' valuations or at cost if acquired during the year. Changes in unrealised gains and losses reflect the changes in market or Trustees' valuations during the reporting period, and the write-back of previously recorded unrealised gains and losses when the investments are sold.

Realised and unrealised gains are not shown separately in the Statement of Financial Activities.

(i) Prior year adjustment of grant commitments

FRS102 requires Trustees to apply discount rates to longer term charitable commitments (those to be made more than one year after the balance sheet date) to restate them at their present values. The Trustees had previously not adopted this part of FRS102 due to the belief that changing the amounts of charitable commitments in this way on an annual basis might confuse readers of the accounts.

To comply with FRS102 all grant commitments not due to be fulfilled within one year have been discounted to their present value and the brought forward reserves and prior year grant commitment expenses have been restated accordingly.

Impact on Funds (increase/(decrease) in funds)

	31 December 2015 £	1 January 2015 £
Decrease in Charitable commitments due after more than one year	270,919	285,883
	<hr/>	<hr/>
Increase in Total net assets	270,919	285,883
	<hr/>	<hr/>
Increase in Unrestricted funds	270,919	285,883
	<hr/> <hr/>	<hr/> <hr/>

Impact on Statement of Financial Activities (increase/(decrease) in funds)

	31 December 2015 £
Increase in Charitable Expenditure	(14,965)
	<hr/>
Decrease in funds	(14,965)
	<hr/> <hr/>

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31st December 2016 (continued)

2 Voluntary income

	2016	2015
	£	£
Donations	9,834,106	4,803,353
	<u>9,834,106</u>	<u>4,803,353</u>

3 Investment Income

	2016	2015
	£	£
Investments managed by Trustees:		
Equities	33,695	7,871
Cash	11,517	10,965
Investments managed by Ingenious Asset Management:		
Equity Funds	52,558	49,245
Fixed Interest Funds	1,690	5,460
Cash	32	92
Absolute Return Funds	-	1,014
Property Funds	2,708	4,493
Reclaim of tax on investments taxed at source	-	1,118
	<u>102,200</u>	<u>80,258</u>

Investment income consists of interest earned on cash, and dividends received from equities and fund investments.

4 Raising funds

	2016	2015
	£	£
Bank and broker charges	1,605	10,092
Investment Portfolio charges	37,949	46,717
	<u>39,554</u>	<u>56,809</u>

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31st December 2016 (continued)

5 Allocation of support costs

Support costs allocable to Charitable Activities are as follows:

	2016	2015
	£	£
Staff costs (see note 6)	31,790	31,291
Consultancy costs	7,200	7,200
Other	2,460	2,221
Foreign exchange gains	(387,770)	(97,322)
Auditors' remuneration	9,870	6,300
	<u>(336,450)</u>	<u>(50,310)</u>

Consultancy costs relate to administration services. Support costs are attributed to individual grants pro rata to each grant's financial amount, as stated in note 7.

6 Staff costs

	2016	2015
	£	£
Salary	31,000	31,000
Employer's National Insurance Contributions	790	291
	<u>31,790</u>	<u>31,291</u>

There was one employee during the period (2015: one): Dorothy, Lady Hintze, the Chief Executive. Lady Hintze is the wife of Sir Michael Hintze, a Trustee of the Foundation. Trustees received no remuneration and were not reimbursed for any expenses.

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31st December 2016 (continued)

7 Expenditure

	Charitable Commitments	Foreign Exchange Losses	Support Costs	Total 2016	Restated Total 2015
	£	£	£	£	£
Armed Services	499,907	-	(17,234)	482,673	259,134
Cultural/Arts	362,155	15	(12,485)	349,685	668,987
Educational	7,441,380	1,335,042	(302,562)	8,473,860	1,927,616
Health	230,815	-	(7,957)	222,858	21,968
Religious	33,644	19,951	(1,848)	51,747	528,409
Social/Environment	(163,496)	-	5,636	(157,860)	788,896
Net charitable donations and commitments	8,404,405	1,355,008	(336,450)	9,422,963	4,195,010

The Social/Environment category shows net income as opposed to expense due to the release of the £200,000 pledge to The Garden Bridge Trust.

The auditors' remuneration of £9,870 (2015: £6,300) was previously stated in addition to the net charitable donations and commitments in the 2015 accounts breakdown. This has now been allocated as part of the support costs.

	2016 Number	2015 Number
Number of institutions receiving charitable commitments	46	39

The donations and charitable commitments of £8,404,405 shown above represent legally obligated and committed charitable grants made during the year. Of these commitments, £7,548,652 will be paid in future years.

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31st December 2016 (continued)

8 Fixed Asset Investments

	2016	2015
	£	£
Market value brought forward	5,560,828	5,548,838
Investments managed by Trustees:		
Acquisitions at cost	7,768,084	2,877,688
Disposals at carrying value	(2,398,656)	(3,099,245)
Net gain on revaluation	440,037	56,511
Net gain on foreign exchange	637,307	38,389
	6,446,772	(126,657)
Investments managed by Ingenious Asset Management		
Acquisitions at cost	242,013	2,251,921
Disposals at carrying value	(4,692,717)	(2,238,335)
Net gain on revaluation	364,101	107,996
Net gain on foreign exchange	56,487	17,065
	(4,030,116)	138,647
Market value carried forward	7,977,484	5,560,828
Historical Cost	6,617,257	6,248,777

In 2010 the Foundation made a commitment to invest up to £100,000 in a Social Impact Bond issued by the Social Impact Partnership LP. The initiative's aim was to work with 3,000 male short-sentence prisoners discharged from HMP Peterborough to try to reduce the rate of recidivism during the 12 month period following their discharge from prison. The Foundation invested a total of £69,175 and based on the outcome of the initiative which was announced in July 2017, the full investment will be repaid in 2017 along with a return of just over 3% per annum.

8 Fixed Asset Investments (Continued)

Investments comprise:

	2016	2015
	£	£
Investments managed by Trustees:		
Equities	181,092	139,211
CQS Credit Multi Asset Fund	5,372,994	1,320,677
CQS Directional Opportunities Fund	1,136,153	-
Social Impact Bond	69,175	69,175
Barclays Short Treasury Bond Fund	1,216,420	-
	<u>7,975,834</u>	<u>1,529,063</u>
Investments managed by Ingenious Asset Management:		
Equity Funds	-	2,940,930
Fixed Interest Funds	-	201,778
Cash	1,650	150,753
Absolute Return Funds	-	495,797
Property Funds	-	242,507
	<u>1,650</u>	<u>4,031,766</u>
Market value carried forward	<u><u>7,977,484</u></u>	<u><u>5,560,828</u></u>

Investments representing over 5% by value, which are not disclosed separately above comprise:

	2016	2015
	£	£
Ingenious Asset Management portfolio		
Aberdeen Investment Property Trust	-	242,507
Capita Financial Woodford Equity Income C Inc	-	241,508
Findlay Park American	-	246,333
Fundsmith Equity	-	230,277
Invesco Fund Mngrs Income	-	292,398
Lindsell Train	-	497,998
Troy Trojan S	-	216,457
	<u>-</u>	<u>-</u>

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31st December 2016 (continued)

9 Debtors

	2016 £	2015 £
Amounts due within one year:		
Receivable from donor	9,737,098	4,000,000
Prepayments	1,178	-
Amounts due after more than one year:		
Interest receivable on deposits	-	812
	<u>9,738,276</u>	<u>4,000,812</u>

10 Creditors

	2016 £	Restated 2015 £
Amounts due within one year:		
Charitable commitments	5,186,788	3,383,826
Other creditors	10,412	5,589
	<u>5,197,200</u>	<u>3,389,415</u>
Amounts due after more than one year:		
Charitable commitments	9,496,123	7,048,861
	<u>14,693,323</u>	<u>10,438,276</u>

To comply with FRS102 all grant commitments not due to be fulfilled within one year have been discounted to their present value. The pre-discounting amount of the commitments was £15,040,067 (2015: £10,703,606).

11 Related party transactions

The Foundation makes commitments and donations to a number of charities that one or more Trustees have a particular interest in. The Foundation operates a conflicts policy that requires all actual or potential conflicts of interest to be disclosed at Trustee meetings. The trust deed requires that a Trustee must absent his or herself from any discussions of the Trustees in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the Foundation.

11 Related party transactions (continued)

In line with the Trust Deed Sir Michael Hintze, a Trustee of the Foundation, duly disclosed his interests in relation to the related party transactions disclosed here and absented himself from all discussions and decisions in relation to the potential investments and donations:-

- Services provided without charge to the Foundation by CQS (Grosvenor) LLP until September 2015, and by CQS (UK) LLP thereafter, of which Sir Michael Hintze is the ultimate beneficial owner.

- Investments have been made into the following funds of the CQS group (of which Sir Michael Hintze is the ultimate beneficial owner). After careful consideration the funds were considered the best investment options by the other Trustees in comparison with other options available, taking into account performance, risk, currency, liquidity and suitability in relation to the Foundation's pledges and other creditor obligations.

During the year the net investment in USD in the CQS Credit Multi Asset Fund was £464,993 (2015: £nil) and the value of the investment was £2,310,477 (2015: £1,320,677) at the year end.

During the year the net investment in GBP in the CQS Credit Multi Asset Fund was £3,000,000 (2015: £nil) and the value of the investment was £3,062,517 (2015: £ nil) at the year end.

During the year the net investment in the CQS Directional Opportunities Fund Limited was £1,000,000 (2015: £nil) and the value of the investment was £1,136,153 (2015: £nil) at the year end.

- A grant commitment was made during the year to The Institute of Economic Affairs Limited, a UK registered charity of which Sir Michael Hintze is a Trustee, of £50,000 (2015: £85,000). The balance remaining to be paid at the year-end was £12,500 (2015: £nil).

- At the year-end £116,986 (AUD200,000) (2015: £197,572 (AUD400,000)) was due to be paid in future years to Friends of the University of Sydney, a UK registered charity of which Sir Michael Hintze was a Trustee.

- Sir Michael Hintze is the Senior Vice-Patron of the Royal Navy & Royal Marines Charity. During the year a grant commitment of £500,000 (2015: £nil) was made. The commitment remaining to be paid at the year-end was £617,880 (2015: £341,711).

