

ELEANOR HAMILTON EDUCATIONAL TRUST

REPORT AND FINANCIAL STATEMENTS

For the year to 30th June 2017

HUNTERS
Incorporating
MAY, MAY & MERRIMANS
9 New Square
Lincoln's Inn
London
WC2A 3QN

WVM.GT.35732-1

ELEANOR HAMILTON EDUCATIONAL TRUST
REPORT AND FINANCIAL STATEMENTS
For the year to 30th June 2017

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Independent Auditor's Report to the Trustees of Eleanor Hamilton Educational Trust

Period ended 30 June 2017

We have audited the financial statements of Eleanor Hamilton Educational Trust for the year ended 30 June 2017. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 AUDITOR

As explained more fully in the Trustees Annual Report, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of 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 Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 June 2017 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.

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 Annual 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.

MARK LAUGHTON
SENIOR STATUTORY AUDITOR
BURGESS HODGSON LLP
Chartered Accountants
& Statutory Auditor

Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

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Burgess Hodgson LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

ELEANOR HAMILTON EDUCATIONAL TRUST

Reference and administrative details

Charity Number:	309997
Principal Office	c/o Hunters 9 New Square Lincoln's Inn London WC2A 3QN
Trustees	Mrs J Nyiri, CQSW (Chair) Mr W Brandon, MA Dr P Brandon, MRCP Mr J C Vernor-Miles Mr I Hippisley Mr D P Orr Mr W E Vernor-Miles
Bankers	CAF Bank Ltd 25 Kings Hill Avenue, Kings Hill West Malling Kent ME19 4JQ
Solicitors	Hunters 9 New Square Lincoln's Inn London WC2A 3QN
Investment Managers	Charles Stanley Co Limited 55 Bishopsgate London EC2N 3AS
Auditors	Burgess Hodgson LLP 27 New Dover Road Canterbury Kent CT1 3DN

ELEANOR HAMILTON EDUCATIONAL TRUST

Trustees Annual Report for the year to 30th June 2017

Structure, governance and management

The financial statements comply with the statutory requirements, the governing document and Accounting and Reporting for Charities: SORP 2015.

The Trust was established by a Deed dated 25th February 1957 created by Eleanor Christodora Lady Hamilton.

Appointment of new trustees

The power of appointing new Trustees is vested in the Trustees. The Trust Deed states that there shall always be at least three Trustees, and that if and so long as there shall be issue of the Founder living then at least one of the Trustees shall be appointed from such issue. The Trustees aim to include among their number a legal adviser and a financial adviser. Any new trustee appointed is informed as to the charity's activities and aims and provided with copies of the governing document, Minutes of recent meetings and the latest financial Accounts.

Organisational structure of the charity

The Trustees manage the Trust generally and meet at least once a year to take all decisions necessary jointly with regard to the review of the Trust's activities and achievement of objectives. Certain day to day administrative tasks are delegated to the charity's legal and investment advisers. Investment decisions are made jointly by Mrs Nyiri, Mr J C Vernor-Miles and Mr W E Vernor-Miles.

Objectives and Activities

The governing document provides that the Trustees shall apply income and may apply capital to provide for the education of persons under the age of thirty whose parents or guardians are unable to pay for such education. The Trustees aim to help pupils complete their education giving priority to those children who are either in the second year of GCSE or A Level depending on social, health and financial need. The Trustees also have power to make donations to charitable institutions whether educational or not.

Grant-making policies

The Trustees are not in a position to carry out the extensive investigations needed to establish suitable educational beneficiaries and therefore made donations to other charities which are able to carry out such investigations.

The charity has in the past received funds from other trusts which have been wound up and the Trustees try to continue to support the charitable interests of those donors. The Trustees support a number of charities on a regular basis. The Trustees do not consider unsolicited appeals and prefer to support charities introduced by the Trustees.

Achievements and performance

In the year to 30th June 2017 the Trustees gave £181,000 towards educational grants. BMTA received £46,000 to enable 30 pupils to complete their final GCSE year. Thornton-Smith & Plevins Trust received £45,000 supporting 18 students in their first year of "A" levels and 5 pupils in their final year of "A" levels. Emmott Foundation received £40,000 to support 9 pupils during their "A" level course. £25,000 was given to Newnham College to provide bursaries for 15 students experiencing financial hardship and £25,000 was given to University of the Arts London to enable 25 students to complete a Foundation Course before embarking on further studies.

General charitable donations totalled £60,255.

Monitoring achievement

The Trustees receive reports from the educational charities on the results of the beneficiaries supported by their grant. These progress reports influence whether or not further grants will be given to those charities. When considering general charitable appeals the Trustees consider how previous grants have been utilised.

Financial Review Investment Policy and Reserves

The charity maintains an investment portfolio and operates as a grant making charity. The charity does not undertake any fundraising.

The charity has professional investment brokers who generally manage the charity's investments during the year, subject to the review of the Trustees. The Trustees have a balanced overall objective with a medium high risk policy with a bias towards higher income yielding stock. The Trustees take social, ethical and environmental considerations into account when choosing investments. They do not invest in companies producing tobacco. The activities during the period resulted in an increase in value of £610,000 (2016 increase £1.78m).

The reserves at the year end were £7.55m (2016 £6.94m). The charity holds sufficient reserves to continue its objectives.

Plans for future periods

The charity intends to continue to support children in either GCSE or A Level years through grants to other charities and provide bursaries to University of Arts, London and Newnham College, Cambridge. It will also give some charitable grants.

Public Benefit

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities as required under Section 17(5) of the Charities Act 2011.

Responsibilities of the Trustees

The charity's Trustees are responsible for preparing the Trustees Annual Report and the Financial Statements in accordance with applicable law and regulations.

The law applicable to England and Wales requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have elected to prepare the Financial Statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom

Accounting Standards and applicable law). Under company 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 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
- observe the methods and principles in the Charities SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed subject to any departures disclosed and explained in the Financial Statements
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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 and Accounting and Reporting for Charities: SORP 2015. 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

Burgess Hodgson LLP have been appointed as auditors.

Approved by the trustees and signed on their behalf by:-

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ELEANOR HAMILTON EDUCATIONAL TRUST

BALANCE SHEET as at 30th June 2017

	2016/17	2015/16
	£	£
UNRESTRICTED FUNDS	<u>7,550,461.14</u>	<u>6,940,322.53</u>
There are no restricted or endowment funds		
represented by:-		
INVESTMENTS at Market Value	7,082,742.03	6,641,402.66
CASH		
Hunters	261.66	899.50
CAF Bank	4,738.13	188.61
Charles Stanley Capital Account	444,641.49	287,018.49
Charles Stanley Income Account	9,418.22	8,484.86
Charles Stanley \$ Account	16,724.49	11,011.65
DEBTOR		
Dividend outstanding	378.32	0.00
CREDITOR		
Hunters	-8,443.20	-8,683.24
	<u>7,550,461.14</u>	<u>6,940,322.53</u>

Approved by the Trustees on

and signed on their behalf by

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ELEANOR HAMILTON EDUCATIONAL TRUST
STATEMENT OF FINANCIAL ACTIVITIES for the year ended 30th June 2017

	2016/17	2015/16
	£	£
INCOMING RESOURCES		
Investment Income		
Fixed Interest (gross)	48,572.13	24,012.77
Gross deposit interest	0.00	46.15
UK Dividends	139,487.27	99,468.80
Overseas Dividends	77,750.90	62,659.48
Gain on currency conversion	49.02	0
	<u>265,859.32</u>	<u>186,187.20</u>
Received from Sidbury Trust shares and cash	0.00	1,014,700.98
Gift from Hamilton Pensions Trust	0.00	1,793.62
	<u>265,859.32</u>	<u>1,202,681.80</u>
RESOURCES EXPENDED		
<u>Charitable Expenditure</u>		
Educational Grants	181,000.00	195,000.00
Other Charitable Grants	60,254.60	17,500.00
	<u>241,254.60</u>	<u>212,500.00</u>
<u>Management and Administration Costs</u>		
Hunters accountancy and administration fees year to 30/6/17	14,443.20	12,283.24
Burgess Hodgson - Sidbury independent exam fee	501.60	0
Burgess Hodgson audit fee for accounts to 30/6/16	2,494.88	615.36
Charles Stanley - management fees	25,329.37	19,784.92
Charles Stanley - Overseas Custody Charge	0.00	692.05
Bank charges	54.00	0.50
	<u>284,077.65</u>	<u>245,876.07</u>
THERE ARE NO PUBLICITY OR FUND-RAISING EXPENSES		
Net Incoming/Outgoing resources in the year	-18,218.33	956,805.73
GAINS/LOSSES ON INVESTMENTS		
Realised	175,314.63	31,586.37
Unrealised	453,042.31	792,401.17
BALANCE BROUGHT FORWARD	6,940,322.53	5,159,529.26
BALANCE CARRIED FORWARD	<u>7,550,461.14</u>	<u>6,940,322.53</u>

ELEANOR HAMILTON EDUCATIONAL TRUST

INVESTMENTS as at 30th June 2017

		Income	Market Value @ 30/6/17	Market Value @ 30/6/16
		£	£	£
UK Fixed Interest				
£9,500	Treasury 2.5% Index Linked 26/7/16	377.97	0.00	30,281.25
				323.97
£60,000	Marks & Spencer 6.125% 2/12/19	3,675.00	66,600.00	68,262.00
			2,114.38	2,118.65
£1,200,000	Tesco 6.15% Sn Nts 15/11/38 US\$	34,407.54	975,464.80	177,644.37
			7,101.89	1,437.67
£80,000	Vodafone Group 5.625% 27/2/17 US\$	3,486.62	0.00	60,918.61
				1,150.13
Overseas Interest				
£100,000	Lafarge 6.625% EMTN 29/11/17	6,625.00	102,255.00	107,135.00
		<u>48,572.13</u>	3,866.10	3,873.63
UK Companies				
40,406	BP Ord US\$0.25	12,689.13	178,917.77	177,038.89
6,000	Diageo Ord 0.28 101/108p	6,898.32	136,110.00	238,695.60
12,900	Experian Group US\$ 0.10	3,763.38	203,175.00	182,148.00
13,460	Glaxosmithkline Ord 25p	10,768.00	220,138.30	215,965.70
300,000	Lloyds Banking Group Ord 0.1p	6,600.00	198,450.00	0.00
70,000	Marston's Ord 0.07375p	0.00	85,400.00	0.00
26,124	National Grid Ord 0.12431289p	36,445.95	248,648.23	312,349.04
8,100	Pearson Ord 25p	1,458.00	0.00	78,327.00
16,400	Prudential Ord 5p	7,134.00	288,804.00	206,148.00
3,000	Reckitt Benckiser Ord 10p	5,301.97	233,520.00	315,553.70
5,000	Rio Tinto Ord 10p	6,718.00	162,100.00	114,700.00
10,115	Royal Dutch Shell "B" Shares €0.07	14,989.42	208,621.88	208,571.30
12,500	RPC Group	1,880.00	94,000.00	78,350.00
3,000	Severn Trent Ord 0.9789	2,430.00	65,460.00	73,050.00
7,000	Smiths Group Ord 0.375p	2,012.50	0.00	80,710.00
17,000	SSE Ord 50p	15,283.00	247,010.00	264,180.00
20,000	Standard Chartered Ord US\$0.50	0	155,440.00	72,743.06
42,400	Tesco Ord 5p	0	0.00	74,157.60
4,500	Unilever Ord 0.031111	5,115.60	186,975.00	161,055.00
		<u>139,487.27</u>		
Overseas Companies				
26,000	AIA Group Limited NPV	2186.05	146,215.06	116,013.23
1,680	Apple Inc Com NPV	2,597.06	186,288.00	120,156.19
7,300	Australia & New Zealand Bank Group NPV	6,646.77	123,825.62	98,032.70
61,000	Australia Foundation Inv NPV	8,562.64	209,643.04	190,948.84
900	Bayer AG NPV	1,497.97	89,537.30	67,801.42
800	Becton Dickinson & Co Com US\$1	1,511.39	120,158.59	101,499.10
1,000	Clorox Co Com US\$1	519.45	102,590.55	0.00
1,500	Dr Pepper Snapple Com US\$0.01	5,203.92	105,229.22	260,210.95

ELEANOR HAMILTON EDUCATIONAL TRUST

INVESTMENTS as at 30th June 2017

Overseas Companies cont'd

2,200	Emerson Electric Com US\$0.50	4,708.19	100,985.41	163,830.79
2,300	Fidelity Natl Info Services Com Stock US\$0.01	1,243.83	0.00	126,759.80
3,700	Findlay Park Funds American Smaller Cos	0	0.00	230,364.30
750	First State Inv (HK) China Growth I Dist USD	185.79	0.00	56,048.03
1,200	Fiserve Inc Com Stock US\$0.01	0	0.00	97,612.21
3,600	Jardine Matheson US\$0.25	4,211.93	177,789.75	156,705.57
1,500	Jardine Strategic Holdings US\$0.05	351.91	47,929.10	33,931.78
1,300	Johnson & Johnson Com US\$1	4,377.76	132,426.96	208,691.28
1,500	Kraft Heinz Co Com US\$0.01	4,256.13	98,866.39	152,214.99
3,000	Microsoft Corp Com US\$0.00000625	3,052.67	159,197.81	114,845.15
2,013	Pernod Ricard €1.55	2,252.44	207,282.97	167,457.24
3,200	Procter & Gamble Com NPV	5,741.53	214,708.80	202,693.00
1,110	Roche Holdings AG CHF1	4,743.78	220,447.37	219,903.25
3,000	Royal Bank of Canada Com NPV	4,980.74	167,334.54	131,925.00
4,000	Statoil ASA NOK2.50	2,040.95	50,878.14	51,545.19
6,500	Swire Pacific "A" NPV	1,360.85	48,861.22	54,966.83
800	Waters Corp Com Stock US\$0.01	0	113,211.44	84,174.15
5,500	Verizon Communications Com US\$0.10	5,517.15	189,162.40	126,183.50
		<u>77,750.90</u>		
			<u>7,082,742.03</u>	6,641,402.66
	Market Value at 30/6/16 of investments sold			-1,413,022.16
	Cost of investments purchased			1,401,319.22
	Adjusted market value at 30/6/16			<u>6,629,699.72</u>
	Market Value at 30/6/17			<u>7,082,742.03</u>
	UNREALISED GAIN to 30/6/17			<u><u>453,042.31</u></u>

ELEANOR HAMILTON EDUCATIONAL TRUST

INVESTMENT CHANGES in the year to 30th June 2017

DISPOSALS			Sale Proceeds \$	Sale Proceeds £	Market Value at 30/6/16 £	Gain/Loss £
26/7/16	9,500	Treasury 2.5% I/Linked 26/7/16		30,238.05	30,281.25	-43.20
27/2/17	80,000	Vodafone	80,000.00	64,693.51	60,918.61	3,774.90
16/3/17	7,000	Smiths Group Ord		109,518.55	80,710.00	28,808.55
16/3/17	42,400	Tesco Ord		78,586.80	74,157.60	4,429.20
16/3/17	8,100	Pearson Ord		52,895.51	78,327.00	-25,431.49
17/3/17	5,440	Diageo Ord		124,909.57	113,505.60	11,403.97
17/3/17	1,213	Reckitt Benck Ord		89,044.42	90,853.70	-1,809.28
20/3/17	750	First State GBL UM China Growth		72,317.14	56,048.03	16,269.11
16/3/17	2,300	Fidelity Natl Info Services Com	187,562.71	151,676.14	126,759.80	24,916.34
16/3/17	1,200	Fiserv Inc Com	139,396.99	112,726.01	97,612.21	15,113.80
17/3/17	800	Kraft Heinz Com	74,300.22	60,084.28	52,944.34	7,139.94
17/3/17	1,000	Johnson & Johnson Com	127,613.24	103,196.86	90,735.34	12,461.52
17/3/17	2,000	Emerson Electric Com	120,148.88	97,160.67	78,014.66	19,146.01
17/3/17	2,100	Dr Pepper Snapple Com	201,647.27	163,065.88	151,789.72	11,276.16
20/3/17	3,700	Findlay Park Fds American	344,049.98	278,222.53	230,364.30	47,858.23
5/6/17		Cash fraction National Grid		0.87		0.87
			1274719.29	1,588,336.79	1,413,022.16	175,314.63

ACQUISITIONS			Cost \$	Cost £
23/2/17	2,500	RPC Group Rights		16,625.00
16/3/17	7,116	Standard Chartered Ord		53,428.43
16/3/17	300,000	Lloyds Banking Ord		209,377.18
16/3/17	2,480	Verizon Com	124,723.28	100,859.84
17/3/17	150,000	Tesco 6.15% SNR 15/11/2037	156,334.71	126,423.02
17/3/17	1,000	Clorox Com	139,268.85	112,622.39
23/5/17	70,000	Marstons Ord		96,726.55
24/3/17	800,000	Tesco 6.15% SNR 15/11/2037	847,388.56	685,256.80
			1,267,715.40	1,401,319.22

ELEANOR HAMILTON EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 30th June 2017

Accounting policies

Basis of accounting

In preparing the Accounts the charity follows best practice as laid down in Accounting and Reporting for Charities: SORP 2015.

Historical cost accounting rules have been applied in all instances except for the valuation of investments.

Financial assets held at fair value

Investments are initially recognized at their transaction value and subsequently measured at their fair value as at the Balance Sheet date using the closing quoted market price. Any corresponding gain or loss on this revaluation is shown in the Statement of Financial Activities for the year.

The fair value of the listed investments at 30th June 2017 was £7,082,742 (2016: £6,641,402).

Investment risk disclosures:

The main risk to the Charity from financial investments lies in the combination of uncertain investment markets and volatility in yield. The yield on bonds has been abnormally low, giving rise to a significant downside risk of a fall in capital values when interest rates return to normal levels. The charity is reliant on dividend yield to finance its work and this leads to a greater exposure to international companies the values of which, together with their yield, are exposed to exchange rate risk when converting the holdings into sterling. The high current demand for high quality corporate bond and government stock continues to depress the yield.

The Charity's investments are mainly traded in markets with good liquidity and high trading volumes. The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognized stock exchanges. The Charity does not make use of derivatives and similar complex financial investments as it takes the view that investments are held for their longer term.

Income

The Trust income is derived from its investment portfolio. The Trust is not involved in fund-raising or publicity.

Resources expended

Expenditure is included on an accruals basis.

None of the Trustees received remuneration or expenses for the year. Mr W E Vernor-Miles is a partner in the firm of Hunters who received fees totaling £12,000 in the year excluding VAT (2016: £10,000). Mr D P Orr is a member of the firm Charles Stanley who are the Trust's Investment Managers and received management fees of £21,107 in the year excluding VAT (2016: £16,487)