

THE HINTZE FAMILY CHARITABLE FOUNDATION

England & Wales · Charity number 1101842

Details

Status Registered

Legal form Trust

Registered 2004-01-30

Register [View on the Charity Commission register](#)

Contact

Address 50 Pall Mall
London
SW1Y 5JH

Phone 02045705600

Email enquiries@hfcf.org.uk

Activities

Objects: (I) TO ADVANCE THE RELIGIOUS AND OTHER CHARITABLE WORK OF CHRISTIAN CHURCHES IN ENGLAND AND WALES AND IN PARTICULAR IN THE DIOCESE OF SOUTHWARK (II) TO ADVANCE RELIGION AND FOR THE BENEFIT OF THE GENERAL PUBLIC TO PROVIDE FINANCIAL ASSISTANCE FOR THE REPAIR AND MAINTENANCE OF CHRISTIAN CHURCHES ENGLAND AND WALES AND IN PARTICULAR IN THE DIOCESE OF SOUTHWARK (III) TO RELIEVE SICKNESS AND PROTECT AND PRESERVE PUBLIC HEALTH THROUGH FUNDING SPECIFIC PROJECTS TO BENEFIT THE SICK AND TERMINALLY ILL (IV) TO ADVANCE EDUCATION BY PROVIDING AND ASSISTING IN THE PROVISION OF RESOURCES AND EQUIPMENT FOR SCHOOLS COLLEGES AND UNIVERSITIES AND IN PARTICULAR TO ENABLE THE ACQUISITION AND RETENTION OF ANTIQUARIAN BOOKS TO BE USED AS A LEARNING RESOURCE (V) FOR THE PUBLIC BENEFIT TO PROVIDE FINANCIAL SUPPORT IN FURTHERANCE OF THE CHARITABLE PURPOSES OF INSTITUTIONS SUCH AS MUSEUMS, LIBRARIES AND ART GALLERIES AND IN PARTICULAR TO PROMOTE ACCESS FOR THE GENERAL PUBLIC TO WORKS OF ARTISTIC, SCIENTIFIC OR NATIONAL, HISTORIC, ARCHITECTURAL OR CULTURAL IMPORTANCE (VI) 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 OF OBLIGATIONS.

Activities: To advance education; to support museums, libraries and art galleries; to support the Christian faith and institutions; to relieve sickness and protect and preserve public health, and to further such other charitable purposes as the trustees determine.

Classification

- **How:** Makes Grants To Organisations
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Religious Activities, Arts/culture/heritage/science
- **Who:** Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** TO ADVANCE THE WORK OF CHRISTIAN CHURCHES IN ENGLAND AND WALES, PARTICULARLY IN THE DIOCESE OF SOUTHWARK, AND WORK WORLDWIDE.
- Australia
- Austria
- Ireland
- Italy
- Scotland
- South Africa
- United States
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£688,297	£693,442	£1,579,283	1
2023-12-31	£1,025,001	£1,061,850	£1,050,145	1
2022-12-31	£1,122,171	£910,876	£905,803	1
2021-12-31	£1,487,373	£2,779,721	£221,853	1
2020-12-31	£2,871,920	£885,897	£1,020,320	1

Trustees

Name	Role	Appointed
SIR MICHAEL PEAT	Chair	2014-03-13
Duncan Anthony Hilder Baxter		2015-01-13
Lord MICHAEL HINTZE KCSG		

THE HINTZE FAMILY CHARITABLE FOUNDATION

England & Wales - Charity number 1101842

Accounts

The Hintze Family Charitable Foundation

Report and Financial Statements

For the year ended 31 December 2024

Registered with the Charity Commission
Charity No: 1101842

The Hintze Family Charitable Foundation
Report and financial statements for the year ended 31 December 2024

Contents

Page:

1	Reference and administrative information
2 - 5	Report of the Trustees
6 - 8	Report of the independent auditors
9	Statement of financial activities
10	Balance sheet
11	Statement of cash flows
12 - 19	Notes forming part of the financial statements

The Hintze Family Charitable Foundation
Report and financial statements for the year ended 31 December 2024

Reference and administrative information

Trustees	Lord Hintze (Founder & Benefactor) Sir Michael Peat Duncan Baxter (reappointed 25 June 2024)
Chief Executive	Lady (Dorothy) Hintze (Benefactor)
Charity Number	1101842
Secretary	Michael Bisson
Headquarters	50 Pall Mall London SW1Y 5JH
Auditor	Bourner Bullock 114 St Martins Lane London WC2N 4BE
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 Barclays (Isle of Man) 25 CIRCULAR ROAD, EAGLE COURT, DOUGLAS, IoM, IM99 1RH

The Hintze Family Charitable Foundation

Report of the Trustees for the year ended 31 December 2024 (continued)

The Trustees present their report together with the financial statements of the Foundation for the year ended 31 December 2024. 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) (2nd Edition, effective January 2019) ("Charities SORP").

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 for England and Wales 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 administrative and management processes of the Foundation are explained to the new trustee. Apart from the founding trustee, each trustee must retire from his or her 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 2024. 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 2024. Related party transactions are disclosed in note 11 to the financial statements. Trustees are required to disclose all relevant interests and register them with the Secretary 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 and accountancy and administrative support were provided by CQS (UK) LLP and CQS Jersey Limited (together "CQS") until the end of March 2024. Since April 2024 such services have been provided by Deltroit Asset Management (UK) LLP & Deltroit Asset Management Limited (together "Deltroit"). Service agreements were executed by CQS and the Trustees in 2020 confirming the commercial arrangement, and these were terminated at the end of March 2024 with new a new service agreement being executed by Deltroit and the Trustees at the same time.

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

The Hintze Family Charitable Foundation

Report of the Trustees for the year ended 31 December 2024 (continued)

- 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.

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 and between 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 £551,700 (2023: £1,103,205). The Foundation has opted to use the exemption under clause 16.25 of the Charities SORP (FRS 102) from providing the names of grant recipients and the amounts of such grants during the lifetime of the settlor who donated the funds from which the grants are paid or during the lifetime of the settlor's spouse.

Financial review, reserves and investment strategy

During the year the Foundation distributed donations of £1,178,214 (2023: £1,643,917), of which £917,375 (2023: £1,438,251) was committed in previous years. At year end, the Foundation was committed to £2,112,166 (2023: £2,883,011) of donations over the next 10 years.

Total support costs, excluding foreign exchange, were £105,120 (2023: £65,673) during the year and predominately relate to staff and administration charges, along with foreign exchange gains and losses not directly attributable to pledges or investments.

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 an investment in Deltroit Directional Opportunities Master Fund Limited. The value of all investments was £2,636,418 (2023: £2,802,135).

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 Foundation and any personal interest (including but not limited to any personal financial interest). Regarding the investment in a Deltroit fund, by virtue of his ultimate beneficial ownership of the Deltroit group, Lord Hintze duly disclosed his interest and excluded himself from all discussions and decisions in relation to the

The Hintze Family Charitable Foundation
Report of the Trustees for the year ended 31 December 2024 (continued)

investment. After careful consideration the fund was considered the best investment option by the other Trustees, in comparison to other options available, in terms of performance, risk, currency, liquidity, suitability and fees in relation to the Foundation's pledges and creditor obligations in line with the Foundation's approved procedures.

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 2024 the Foundation had reserves of £1,579,283 (2023: £1,050,145) 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

The Trustees do not undertake any fundraising activities, although they can accept offers to donate. The Trustees include any such donations in the accounts as "voluntary income", together with donations made by trustees. The Trustees do not use professional fundraisers or 'commercial participators' or indeed any third parties to solicit donations. The Trustees are therefore not subject to any regulatory scheme or relevant codes of practice, nor have they received any complaints in relation to fundraising activities nor do the Trustees 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.

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.

The law applicable to charities in England & Wales 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). 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.

The Hintze Family Charitable Foundation
Report of the Trustees for the year ended 31 December 2024 (continued)

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 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 sufficient accounting records that 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, 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 the Trustees on the 9/10/2025 and signed on their behalf by:

Signed by:

51EE4104BD7A4C8...

Lord Hintze
Trustee

DocuSigned by:

68D5C0B9E65F4FB...

Sir Michael Peat
Trustee

The Hintze Family Charitable Foundation
Report of the Trustees for the year ended 31 December 2024 (continued)

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

Opinion

We have audited the financial statements of The Hintze Family Charitable Foundation (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the cash flow statement 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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

The Hintze Family Charitable Foundation
Report of the Trustees for the year ended 31 December 2024 (continued)

misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting regulations, Charities Act, Tax and Pensions legislation.

The Hintze Family Charitable Foundation Report of the independent auditors 2024

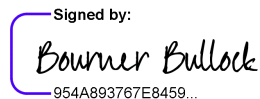
Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

954A893767E8459...

Bournier Bullock
Chartered Accountants
Statutory Auditor
114 St Martin's Lane
London
WC2N 4BE

Date 9/10/2025

Bournier Bullock is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

The Hintze Family Charitable Foundation
Report of the independent auditors 2024

	Note	2024 £	2023 £
Income			
Donations:			
Voluntary income	2	683,500	1,000,697
Investment income	3	4,797	24,304
Total Income		688,297	1,025,001
Expenditure			
Charitable expenditure	7	(692,766)	(1,060,585)
Other charges	4	(676)	(1,265)
Total Expenditure		(693,442)	(1,061,850)
Net Gain on investment assets	8	534,283	181,193
Net Gain		529,138	144,343
Funds brought forward		1,050,145	905,803
Total Funds carried forward		1,579,283	1,050,145

All retained funds are unrestricted.

All amounts relate to continuing activities.

The notes on pages 12 to 19 form part of these financial statements.

The Hintze Family Charitable Foundation
Balance Sheet as at 31 December 2024

	Note	2024 £	2023 £
Fixed assets			
Investments	8	<u>2,636,418</u>	<u>2,802,135</u>
Current assets			
Debtors: amounts falling due within one year	9	366,740	636,202
Cash at bank		710,511	348,076
Creditors: amounts falling due within one year	10	<u>(997,051)</u>	<u>(1,116,205)</u>
Net current Assets/(liabilities)		80,200	(131,927)
Creditors: amounts falling due after more than one year	10	<u>(1,137,335)</u>	<u>(1,620,063)</u>
Total net assets		<u>1,579,283</u>	<u>1,050,145</u>
Unrestricted funds		<u>1,579,283</u>	<u>1,050,145</u>

Approved by the Trustees on 9/10/2025 and signed on their behalf and authorised for issue by:

Signed by:

 51EE4104BD7A4C8...
 Lord Hintze
 Trustee

DocuSigned by:

 68D5C0B9E65F4FB...
 Sir Michael Peat
 Trustee

The notes on pages 12 to 19 form part of these financial statements.

The Hintze Family Charitable Foundation
Statement of Cash Flows for the year ended 31 December 2024

	2024	2023
	£	£
<i>Net gain for the year</i>	529,138	144,342
Adjustments for:		
Net gains on investments	(534,283)	(181,193)
Investment income	(4,797)	(24,304)
Increase in debtors	269,462	426,119
Decrease in creditors	(601,882)	(646,774)
Foreign exchange gain on bank accounts and creditors	492	574
Cash flows from operating activities:		
<i>Net cash from / (used in) operating activities</i>	(341,870)	(281,236)
Cash flows from investing activities:		
Dividends and interest from investments	4,797	24,304
Proceeds from sale of investments	700,000	1,234,609
Purchase of investments	-	(769,289)
<i>Net cash from investing activities</i>	704,797	489,624
<i>Change in cash and cash equivalents in the reporting period</i>	362,927	208,388
Non cash flow movement due to foreign exchange	(492)	(574)
Cash and cash equivalents at the beginning of the reporting period	348,076	140,262
<i>Cash and cash equivalents at the end of the reporting period</i>	710,511	348,076
Analysis of cash and cash equivalents		
	2024	2023
	£	£
Cash at bank	710,511	348,076
<i>Total cash and cash equivalents</i>	710,511	348,076

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2024

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 Applicable to Charities Preparing their accounts in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) (2nd Edition, effective January 2019) ("Charities SORP") and the Charities Act 2011.

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 '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) (Second Edition)' rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Foundation has opted to use the exemption under clause 16.25 of the Charities SORP from providing the names of grant recipients and the amounts of such grants during the lifetime of the settlor who donated the funds from which the grants are paid or during the lifetime of any spouse or civil partner of the settlor.

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

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 Foundation for at least 12 months.

(b) Fund accounting

Funds held by the Foundation 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) Financial instruments

Basic financial instruments, which include debtors, creditors, and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

The Foundation only has basic financial instruments.

The Hintze Family Charitable Foundation
Statement of Cash Flows for the year ended 31 December 2024

(e) Debtors

Basic financial assets, including receivables from donors and other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

(f) 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.

(g) Investment income

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

(h) 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.

(i) 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.

(j) 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.

(k) Grant commitments

In the case of an unconditional grant offer this is recognised once the recipient has been notified of the grant award. Grant creditors are classified as amounts falling due within one year or amounts falling due after one year based on the payment dates to be made. 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 Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2024 (continued)

2 Voluntary Income

	Unrestricted Funds 2024 £	Unrestricted Funds 2023 £
Donations, Grants and Gifts from Trustees	450,000	866,572
Gift Aid Income	233,500	134,125
	<u>683,500</u>	<u>1,000,697</u>

3 Investment Income

	2024 £	2023 £
Investments managed by Trustees:		
Equities & Bonds	-	22,005
Bank interest	4,797	2,299
	<u>4,797</u>	<u>24,304</u>
Total Investment Income	<u>4,797</u>	<u>24,304</u>

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

4 Other Charges

	2024 £	2023 £
Bank and broker charges	676	1,899
Bad Debt (Reversal)/Provision	-	(634)
	<u>676</u>	<u>1,265</u>

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2024 (continued)

5 Allocation of governance and support costs

Governance and support costs allocable to Charitable Activities are as follows:

	2024	2023
	£	£
Staff costs (see note 6)	31,742	31,742
Administration Charges	62,955	23,999
Other	1,737	1,712
Foreign exchange Gain/(loss) not directly allocated to pledges	46,187	(122,337)
Auditors' remuneration	8,700	8,220
	151,321	(56,664)

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

6 Staff costs

	2024	2023
	£	£
Salary	31,000	31,000
Employer's National Insurance & Pension Contributions	742	742
	31,742	31,742

There was one employee during the period (2023: one): Dorothy, Lady Hintze, the Chief Executive. Lady Hintze is the wife of Lord 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 31 December 2024 (continued)

7 Expenditure

	Charitable Commitments	Foreign Exchange directly allocatable to pledges	Support Costs	Total 2024	Total 2023
	£	£	£	£	£
Armed Services	64,904	-	14,970	79,874	116,178
Cultural/Arts	41,558	-	9,254	50,812	(30,628)
Educational	289,909	(46,734)	75,260	318,435	602,092
Health	101,151	713	27,967	129,831	34,438
Religious	79,435	326	22,236	101,997	91,270
Social/Environment	10,183	-	1,634	11,817	247,235
Net charitable donations and commitments	587,140	(45,695)	151,321	692,766	1,060,585
			2024 Number	2023 Number	
Number of institutions receiving charitable commitments			16	17	

The charitable commitments of £587,140 (2023: £1,031,238) are the sum of the donations and charitable commitments of £551,700 (2023: £1,103,205) which represent legally obligated and committed charitable grants made during the year and the release of £35,440 (2023: net discount of £71,967). Of the commitments pledged in 2024 £330,818 (2023: £920,753) will be paid in future years.

To comply with FRS102, the outstanding grant commitments, including those pledged in prior years, are discounted to their present values. This has resulted in a release of £35,440 (2023: net discount of £71,967)

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2024 (continued)

8 Fixed Asset Investments

	2024	2023
	£	£
Market value brought forward	2,802,135	3,086,262
Acquisitions at cost	-	769,289
Proceeds from sale of investments	(700,000)	(1,234,609)
Net gain / (loss) on revaluation *	495,664	218,040
Net gain / (loss) on foreign exchange *	38,619	(36,847)
Market value carried forward	2,636,418	2,802,135

* The net gain on investment assets is £534,283 (2023: £181,193) which is the total of net gain on revaluation and net gain / (loss) on foreign exchange.

Investments comprise:

	2024	2023
	£	£
Investments managed by Trustees:		
Deltroit Directional Opportunities Fund	2,636,418	2,802,135
Market value carried forward	2,636,418	2,802,135

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2024 (continued)

9 Debtors

	2024	2023
	£	£
Amounts due within one year:		
Prepayments	1,239	1,198
Accrued income	233,500	-
Receivable from donor	132,000	635,003
Loans	1	1
	366,740	636,202

10 Creditors

	2024	2023
	£	£
Amounts due within one year:		
Charitable commitments	974,831	1,084,375
Other creditors	22,220	31,830
	997,051	1,116,205
Amounts due after more than one year:		
Charitable commitments	1,137,335	1,620,063
	2,134,386	2,736,268

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 £2,255,297 (2023: £2,883,011). The increase in charitable expenditure in the year was £35,440 (2023: £71,639 decrease)

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2024 (continued)

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.

In line with the Trust Deed Lord 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 by CQS (UK) LLP and CQS Jersey Limited, of which Lord Hintze was the ultimate beneficial owner. CQS (UK) LLP charged £nil (2023: £1,637) and CQS Jersey Limited charged £7,650 (2023: £7,019) for services provided to the Foundation during the year, covering the period from 1 January 2024 to 31 March 2024. The balance remaining to be paid at the year-end to CQS (UK) LLP was £nil (2023: £nil) and to CQS Jersey Limited £nil (2023: £nil)

- Services by Deltroit Asset Management (UK) LLP, of which Lord Hintze is the ultimate beneficial owner. Deltroit Asset Management (UK) LLP charged £36,174 (2023: £nil) for services provided to the Foundation during the year, covering the period from 1 April 2024 to 31 December 2024. The balance remaining to be paid at the year-end to Deltroit Asset Management (UK) LLP was £nil (2023: £nil)

- Investments and redemptions have been made and effected in the following fund of the Deltroit group (of which Lord Hintze is the ultimate beneficial owner). After careful consideration Deltroit Directional Opportunities was considered the best investment option by the other trustees in comparison with other options available, taking into account performance, risk, currency, liquidity, suitability and fees.

During the year the net redemption in GBP from the Deltroit Directional Opportunities Fund Limited was £700,000 (2023: £nil) and the value of the investment was £2,636,418 (2023: £2,802,135) at the year end.

- In 2013 A grant of £500,000 was made to the Royal Navy & Royal Marines Charity, a UK registered charity of which Lord Hintze is the Senior Vice-Patron. In 2017 an additional grant of £1,000,000 was made. The overall commitment remaining to be paid at the year-end was £400,000 (2023: £525,000).

- In 2023 A grant of £5,600 was made to the British Heart Foundation, a UK registered charity of which Lord Hintze is a Patron. The overall commitment remaining to be paid at the year-end was £nil (2023: £nil).

- During the year Lord Hintze made voluntary donations to the Foundation of £450,000 (2023: £866,572) to assist the Foundation with furtherance of its principal objectives.

THE HINTZE FAMILY CHARITABLE FOUNDATION

England & Wales - Charity number 1101842

Accounts

The Hintze Family Charitable Foundation

Report and Financial Statements

For the year ended 31 December 2023

Registered with the Charity Commission
Charity No: 1101842

The Hintze Family Charitable Foundation
Report and financial statements for the year ended 31 December 2023

Contents

Page:

1	Reference and administrative information
2	Report of the Trustees
6	Report of the independent auditors
9	Statement of financial activities
10	Balance sheet
11	Statement of cash flows
12 - 20	Notes forming part of the financial statements

The Hintze Family Charitable Foundation
Report and financial statements for the year ended 31 December 2023

Reference and administrative information

Trustees	Lord Hintze (Founder & Benefactor) Sir Michael Peat Duncan Baxter (reappointed 25 June 2024)
Chief Executive	Lady (Dorothy) Hintze (Benefactor)
Charity Number	1101842
Secretary	Michael Bisson
Headquarters	50 Pall Mall London SW1Y 5JH
Auditor	Bourner Bullock 114 St Martins Lane London WC2N 4BE
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

The Hintze Family Charitable Foundation

Report of the Trustees for the year ended 31 December 2023 (continued)

The Trustees present their report together with the financial statements of the Foundation for the year ended 31 December 2023. 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) (2nd Edition, effective January 2019) ("Charities SORP").

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 for England and Wales 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 administrative and management processes of the Foundation are explained to the new trustee. Apart from the founding trustee, each trustee must retire from his or her position after three years but may be re-elected.

The Trustees are required to hold at least two ordinary meetings during the year. Two trustee meetings were held during 2023. 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 2023. Related party transactions are disclosed in note 11 to the financial statements. Trustees are required to disclose all relevant interests and register them with the Secretary 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 and accountancy and administrative support were provided by CQS (UK) LLP and CQS Jersey Limited (together "CQS"). Following the year end such services have been provided by Deltroit Asset Management (UK) LLP ("Deltroit"). Service agreements were executed by CQS and the Trustees in 2020 confirming the commercial arrangement, and these have been terminated at the end of March 2024 with new a new service agreement being executed by Deltroit and the Trustees at the same time.

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

The Hintze Family Charitable Foundation
Report of the Trustees for the year ended 31 December 2023 (continued)

- 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.

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 and between 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 £1,103,205 (2022: £805,369). The Foundation has opted to use the exemption under clause 16.25 of the Charities SORP (FRS 102) from providing the names of grant recipients and the amounts of such grants during the lifetime of the settlor who donated the funds from which the grants are paid or during the lifetime of the settlor's spouse.

Financial review, reserves and investment strategy

During the year the Foundation distributed donations of £1,643,917 (2022: £2,247,527), of which £1,438,251 (2022: £2,071,538) was committed in previous years. At year end, the Foundation was committed to £2,883,011 (2022: £3,446,783) of donations over the next 10 years.

Total support costs, excluding foreign exchange, were £65,673 (2022: £92,351) during the year and predominately relate to staff and administration charges, along with foreign exchange gains and losses not directly attributable to pledges or investments.

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 an investment in Deltroit Directional Opportunities Master Fund Limited as well as investments in Australian bonds. The combined value of all investments was £2,802,135 (2022: £3,086,262).

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 Foundation and any personal interest (including but not limited to any personal financial interest). Regarding the investment in a Deltroit or formerly CQS fund, by virtue of his ultimate beneficial ownership of the Deltroit and formerly CQS groups, Lord Hintze duly disclosed his interest and excluded himself from

The Hintze Family Charitable Foundation
Report of the Trustees for the year ended 31 December 2023 (continued)

all discussions and decisions in relation to the investment. After careful consideration the fund was considered the best investment option by the other Trustees, in comparison to other options available, in terms of performance, risk, currency, liquidity, suitability and fees in relation to the Foundation's pledges and creditor obligations in line with the Foundation's approved procedures.

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 2023 the Foundation had reserves of £1,050,145 (2022: £905,803) 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

The Trustees do not undertake any fundraising activities, although they can accept offers to donate. The Trustees include any such donations in the accounts as "voluntary income", together with donations made by Trustees. The Trustees do not use professional fundraisers or 'commercial participators' or indeed any third parties to solicit donations. The Trustees are therefore not subject to any regulatory scheme or relevant codes of practice, nor have they received any complaints in relation to fundraising activities nor do the Trustees 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.

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.

The law applicable to charities in England & Wales 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). 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.

The Hintze Family Charitable Foundation
Report of the Trustees for the year ended 31 December 2023 (continued)

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 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 sufficient accounting records that 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, 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 the Trustees on the 28 October 2024 and signed on their behalf by:



Lord Hintze
Trustee



Sir Michael Peat
Trustee

**The Hintze Family Charitable Foundation
Report of the independent auditors 2023**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HINTZE FAMILY CHARITABLE FOUNDATION**Opinion**

We have audited the financial statements of The Hintze Family Charitable Foundation (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the cash flow statement 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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

**The Hintze Family Charitable Foundation
Report of the independent auditors 2023**

material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting regulations, Charities Act, Tax and Pensions legislation.

The Hintze Family Charitable Foundation Report of the independent auditors 2023

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:
Bourner Bullock
B242F6A8571A47D...

Bourner Bullock
Chartered Accountants
Statutory Auditor
114 St Martin's Lane
London
WC2N 4BE

Date 28/10/2024

Bourner Bullock is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

The Hintze Family Charitable Foundation
Statement of Financial Activities for the year ended 31 December 2023

	Note	2023 £	2022 £
Income			
Donations:			
Voluntary income	2	1,000,697	1,100,000
Investment income	3	24,304	22,171
Total Income		1,025,001	1,122,171
Expenditure			
Charitable expenditure	7	(1,060,585)	(894,865)
Other charges	4	(1,265)	(16,011)
Total Expenditure		(1,061,850)	(910,876)
Net (Loss) / Gain on investment assets	8	181,193	472,655
Net (Loss) / Gain		144,343	683,950
Funds brought forward		905,803	221,853
Total Funds carried forward		1,050,145	905,803

All retained funds are unrestricted.

All amounts relate to continuing activities.

The notes on pages 12 to 19 form part of these financial statements.

The Hintze Family Charitable Foundation
Balance Sheet as at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	8	<u>2,802,135</u>	<u>3,086,262</u>
Current assets			
Debtors: amounts falling due within one year	9	636,202	1,062,322
Cash at bank		348,076	140,262
Creditors: amounts falling due within one year	10	<u>(1,116,205)</u>	<u>(1,574,474)</u>
Net current liabilities		(131,927)	(371,890)
Creditors: amounts falling due after more than one year	10	(1,620,063)	(1,808,569)
Total net assets		<u>1,050,145</u>	<u>905,803</u>
Unrestricted funds		<u>1,050,145</u>	<u>905,803</u>

Approved by the Trustees on 28 October 2024 and signed on their behalf and authorised for issue by:



Lord Hintze
Trustee



Sir Michael Peat
Trustee

The notes on pages 12 to 19 form part of these financial statements.

The Hintze Family Charitable Foundation
Statement of Cash Flows for the year ended 31 December 2023

	2023	2022
	£	£
<i>Net (loss) / gain for the year</i>	144,342	683,950
Adjustments for:		
Net (gains)/losses on investments	(181,193)	(472,655)
Investment income	(24,304)	(22,171)
(Increase)/decrease in debtors	426,119	170,676
Increase)/(decrease) in creditors	(646,774)	(1,451,373)
Foreign exchange gain/(loss) on bank accounts and creditors	574	(21,849)
Cash flows from operating activities:		
<i>Net cash from / (used in) operating activities</i>	(281,236)	(1,113,422)
Cash flows from investing activities:		
Dividends and interest from investments	24,304	22,171
Proceeds from sale of investments	1,234,609	2,174,160
Purchase of investments	(769,289)	(1,258,903)
<i>Net cash from investing activities</i>	489,624	937,428
<i>Change in cash and cash equivalents in the reporting period</i>	208,388	(175,994)
Non cash flow movement due to foreign exchange	(574)	21,849
Cash and cash equivalents at the beginning of the reporting period	140,262	294,407
<i>Cash and cash equivalents at the end of the reporting period</i>	348,076	140,262
Analysis of cash and cash equivalents		
	2023	2022
	£	£
Cash at bank	348,076	140,262
<i>Total cash and cash equivalents</i>	348,076	140,262

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2023

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 Applicable to Charities Preparing their accounts in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) (2nd Edition, effective January 2019) ("Charities SORP") and the Charities Act 2011.

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 '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) (Second Edition)' rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Foundation has opted to use the exemption under clause 16.25 of the Charities SORP from providing the names of grant recipients and the amounts of such grants during the lifetime of the settlor who donated the funds from which the grants are paid or during the lifetime of any spouse or civil partner of the settlor.

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

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 Foundation for at least 12 months.

(b) Fund accounting

Funds held by the Foundation 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) Financial instruments

Basic financial instruments, which include debtors, creditors, and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

The Foundation only has basic financial instruments.

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2023 (continued)

(e) Debtors

Basic financial assets, including receivables from donors and other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

(f) 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.

(g) Investment income

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

(h) 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.

(i) 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.

(j) 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.

(k) Grant commitments

In the case of an unconditional grant offer this is recognised once the recipient has been notified of the grant award. Grant creditors are classified as amounts falling due within one year or amounts falling due after one year based on the payment dates to be made. 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 Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2023 (continued)

2 Voluntary Income

	Unrestricted Funds 2023 £	Unrestricted Funds 2022 £
Donations, Grants and Gifts from Trustees	866,572	1,100,000
Gift Aid Income	134,125	-
	1,000,697	1,100,000

3 Investment Income

	2023 £	2022 £
Investments managed by Trustees:		
Equities & Bonds	22,005	22,086
Loans	-	-
Bank interest	2,299	86
	24,304	22,171

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

4 Other Charges

	2023 £	2022 £
Bank and broker charges	1,899	3,202
Bad Debt (Reversal)/Provision	(634)	12,809
	1,265	16,011

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2023 (continued)

5 Allocation of governance and support costs

Governance and support costs allocable to Charitable Activities are as follows:

	2023	2022
	£	£
Staff costs (see note 6)	31,742	31,742
Administration Charges	23,999	50,411
Other	1,712	1,978
Foreign exchange loss not directly allocated to pledges	(122,337)	(926)
Auditors' remuneration	8,220	8,220
	<u>(56,664)</u>	<u>91,425</u>

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

6 Staff costs

	2023	2022
	£	£
Salary	31,000	31,000
Employer's National Insurance & Pension Contributions	742	742
	<u>31,742</u>	<u>31,742</u>

There was one employee during the period (2022: one): Dorothy, Lady Hintze, the Chief Executive. Lady Hintze is the wife of Lord 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 31 December 2023 (continued)

7 Expenditure

	Charitable Commitments	Foreign Exchange directly allocatable to pledges	Support Costs	Total 2023	Total 2022
	£	£	£	£	£
Armed Services	121,674	-	(5,496)	116,178	(39,354)
Cultural/Arts	(3,050)	(27,566)	(12)	(30,628)	331,107
Educational	544,348	89,225	(31,481)	602,092	321,541
Health	36,084	-	(1,646)	34,438	59,819
Religious	70,821	24,353	(3,904)	91,270	239,115
Social/Environment	261,361	-	(14,125)	247,236	(17,362)
Net charitable donations and commitments	1,031,238	86,012	(56,664)	1,060,586	894,865
			2023 Number	2022 Number	
Number of institutions receiving charitable commitments			17	15	

The charitable commitments of £1,031,238 (2022: £752,134) are the sum of the donations and charitable commitments of £1,103,205 (2022: £805,369) which represent legally obligated and committed charitable grants made during the year and the net discount of £71,967 (2022: £53,235). Of the commitments pledged in 2023 £920,753 (2022: £575,229) will be paid in future years.

To comply with FRS102, the outstanding grant commitments, including those pledged in prior years, are discounted to their present values. This has resulted in a net discount of £71,967 (2022: £53,235).

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2023 (continued)

8 Fixed Asset Investments

	2023	2022
	£	£
Market value brought forward	3,086,262	3,528,865
Acquisitions at cost	769,289	1,258,903
Proceeds from sale of investments	(1,234,609)	(2,174,160)
Net gain / (loss) on revaluation *	218,040	400,116
Net gain / (loss) on foreign exchange *	(36,847)	72,539
Market value carried forward	2,802,135	3,086,262

* The net gain on investment assets is £181,193 (2022: £472,665) which is the total of net gain on revaluation and net gain / (loss) on foreign exchange.

Investments comprise:

	2023	2022
	£	£
Investments managed by Trustees:		
CQS Directional Opportunities Fund	2,802,135	2,578,239
	2,802,135	2,578,239
Other:		
Australian Bonds	-	508,023
	-	508,023
Market value carried forward	2,802,135	3,086,262

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2023 (continued)

9 Debtors

	2023	2022
	£	£
Amounts due within one year:		
Prepayments	1,198	1,224
Receivable from donor	635,003	1,061,097
Loans	1	1
	636,202	1,062,321

10 Creditors

	2023	2022
	£	£
Amounts due within one year:		
Charitable commitments	1,084,375	1,531,610
Other creditors	31,830	42,864
	1,116,205	1,574,474
Amounts due after more than one year:		
Charitable commitments	1,620,063	1,808,569
	2,736,269	3,383,043

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 £2,883,011 (2022: £3,446,783). The decrease in charitable expenditure in the year was £71,967 (2022: £53,235).

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2023 (continued)

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.

In line with the Trust Deed Lord 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 by CQS (UK) LLP and CQS Jersey Limited thereafter, of which Lord Hintze was the ultimate beneficial owner. CQS (UK) LLP charged £1,637 (2022: £7,048) and CQS Jersey Limited charged £7,019 (2022: £7,366) for services provided to the Foundation during the year, covering the period from 1 January 2023 to 31 March 2023. The balance remaining to be paid at the year-end to CQS(UK) LLP was £nil (2022: £nil) and to CQS Jersey Limited £nil (2022: £nil) with accruals made for the period from 1 April 2023 to 31 December 2023 for CQS (UK) LLP of £nil (2022: £10,337) and CQS Jersey Limited of £23,610 (2022: £24,307).

- Investments and redemptions have been made and effected in the following funds of the CQS group (of which Lord Hintze is the ultimate beneficial owner). After careful consideration CQS Directional Opportunities was considered the best investment option by the other trustees in comparison with other options available, taking into account performance, risk, currency, liquidity, suitability and fees.

During the year the net redemption in GBP from the CQS Directional Opportunities Fund Limited was £nil (2022: investment £325,000) and the value of the investment was £2,802,135 (2022: £2,578,239) at the year end.

- In 2020 A grant of £120,000 was made to the Royal Navy & Royal Marines Charity, a UK registered charity of which Lord Hintze is the Senior Vice-Patron. The overall commitment remaining to be paid at the year-end was £525,000 (2021: £650,000).

- In 2023 A grant of £5,600 was made to the British Heart Foundation, a UK registered charity of which Lord Hintze is a Patron. The overall commitment remaining to be paid at the year-end was £nil.

- During the year Lord Hintze made voluntary donations to the Foundation of £866,572 (2022: £1,100,000) to assist the Foundation with furtherance of its principal objectives.

THE HINTZE FAMILY CHARITABLE FOUNDATION

England & Wales - Charity number 1101842

Accounts

The Hintze Family Charitable Foundation

Report and Financial Statements

For the year ended 31 December 2022

Registered with the Charity Commission
Charity No: 1101842

The Hintze Family Charitable Foundation
Report and financial statements for the year ended 31 December 2022

Contents

Page:

1	Reference and administrative information
2	Report of the Trustees
6	Report of the independent auditors
9	Statement of financial activities
10	Balance sheet
11	Statement of cash flows
12 - 18	Notes forming part of the financial statements

The Hintze Family Charitable Foundation
Report and financial statements for the year ended 31 December 2022

Reference and administrative information

Trustees	Lord Hintze (Founder & Benefactor)	
	Sir Michael Peat	(reappointed 19 January 2022)
	Duncan Baxter	
	Alexander Marcham	(resigned 27 May 2022)
Chief Executive	Lady (Dorothy) Hintze (Benefactor)	
Charity Number	1101842	
Secretary	Michael Bisson	
Headquarters	4 th Floor One Strand London WC2N 5HR	
Auditor	Bourner Bullock 114 St Martins Lane London WC2N 4BE	
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	

The Hintze Family Charitable Foundation
Report of the Trustees for the year ended 31 December 2022 (continued)

The Trustees present their report together with the financial statements of the Foundation for the year ended 31 December 2022. 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) (2nd Edition, effective January 2019) ("Charities SORP")..

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 for England and Wales 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 administrative and management processes of the Foundation are explained to the new trustee. Apart from the founding trustee, each trustee must retire from his or her 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 2022. 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 2022. Related party transactions are disclosed in note 11 to the financial statements. Trustees are required to disclose all relevant interests and register them with the Secretary 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 and accountancy and administrative support are provided by CQS (UK) LLP and CQS Jersey Limited (together "CQS"). The Trustees agreed with CQS that such services should be charged from 6 April 2019 onwards (in prior years, CQS did not charge for such services). Service agreements were executed by CQS and the Trustees in 2020 confirming the commercial arrangement.

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.

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 and between 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 £805,369 (2021: £2,786,284). The Foundation has opted to use the exemption under clause 16.25 of the Charities SORP (FRS 102) from providing the names of grant recipients and the amounts of such grants during the lifetime of the settlor who donated the funds from which the grants are paid or during the lifetime of the settlor's spouse.

Financial review, reserves and investment strategy

During the year the Foundation distributed donations of £2,247,527 (2021: £2,499,276), of which £2,071,538 (2021: £1,650,053) was committed in previous years. At year end, the Foundation was committed to £3,360,854 (2021: £4,784,274) of donations over the next 10 years.

Total support costs were £91,425 (2021: £107,396) during the year and predominately relate to staff and administration charges, along with foreign exchange gains and losses not directly attributable to pledges or investments.

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 an investment in CQS Directional Opportunities Master Fund Limited, as well as investments in Australian bonds. The combined value of all investments was £3,086,262 (2021: £3,528,867).

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 Foundation and any personal interest (including but not limited to any personal financial interest). Regarding the investment in a CQS fund, by virtue of his ultimate beneficial ownership of the CQS group, Lord Hintze duly disclosed his interest and excluded himself from all discussions and decisions in relation to the investment. After careful consideration the fund was considered the best investment option by the

other Trustees, in comparison to other options available, in terms of performance, risk, currency, liquidity, suitability and fees in relation to the Foundation's pledges and creditor obligations in line with the Foundation's approved procedures.

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 2022 the Foundation had reserves of £905,803 (2021: £221,853) 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

The Trustees do not undertake any fundraising activities, although they can accept offers to donate. The Trustees include any such donations in the accounts as "voluntary income", together with donations made by trustees. The Trustees do not use professional fundraisers or 'commercial participators' or indeed any third parties to solicit donations. The Trustees are therefore not subject to any regulatory scheme or relevant codes of practice, nor have they received any complaints in relation to fundraising activities nor do the Trustees 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.

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.

The law applicable to charities in England & Wales 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). 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;
- observe the methods and principles in the Charities SORP;
- 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 sufficient accounting records that 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, 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 the Trustees on the 23 October 2023 and signed on their behalf by:



Lord Hintze
Trustee



Sir Michael Peat
Trustee

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

Opinion

We have audited the financial statements of The Hintze Family Charitable Foundation (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the cash flow statement 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a

material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting regulations, Charities Act, Tax and Pensions legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Bourner Bullock

Russell Joseph (Senior Statutory Auditor)
For and behalf of Bourner Bullock, Statutory Auditor

114 St Martins Lane
London
WC2N 4BE

Date 23.10.2023

Bourner Bullock is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

The Hintze Family Charitable Foundation
Statement of Financial Activities for the year ended 31 December 2022

	Note	2022 £	2021 £
Income			
Donations:			
Voluntary income	2	1,100,000	1,462,000
Investment income	3	22,171	25,373
Total Income		1,122,171	1,487,373
Expenditure			
Charitable expenditure	7	(894,865)	(2,776,575)
Other charges	4	(16,011)	(3,146)
Total Expenditure		(910,876)	(2,779,721)
Net (Loss) / Gain on investment assets	8	472,655	493,881
Net (Loss) / Gain		683,950	(798,467)
Funds brought forward		221,853	1,020,320
Total Funds carried forward		905,803	221,853

All retained funds are unrestricted.

All amounts relate to continuing activities.

The notes on pages 11 to 18 form part of these financial statements.

The Hintze Family Charitable Foundation
Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	8	<u>3,086,262</u>	<u>3,528,865</u>
Current assets			
Debtors: amounts falling due within one year	9	1,062,322	1,232,997
Cash at bank		140,262	294,407
Creditors: amounts falling due within one year	10	<u>(1,574,474)</u>	<u>(2,052,399)</u>
Net current liabilities		(371,890)	(524,995)
Creditors: amounts falling due after more than one year	10	(1,808,569)	(2,782,017)
Total net assets		<u>905,803</u>	<u>221,853</u>
Unrestricted funds		<u>905,803</u>	<u>221,853</u>

Approved by the Trustees on 23 October 2023 and signed on their behalf and authorised for issue by:



Lord Hintze
Trustee



Sir Michael Peat
Trustee

The notes on pages 11 to 18 form part of these financial statements.

The Hintze Family Charitable Foundation
Statement of Cash Flows for the year ended 31 December 2022

	2022	2021
	£	£
<i>Net (loss) / gain for the year</i>	683,950	(798,467)
Adjustments for:		
Net (gains)/losses on investments	(472,655)	(493,880)
Investment income	(22,171)	(25,373)
(Increase)/decrease in debtors	170,676	(1,020,339)
Increase)/(decrease) in creditors	(1,451,373)	163,829
Foreign exchange gain/(loss) on bank accounts and creditors	(21,849)	12,217
Cash flows from operating activities:		
<i>Net cash from / (used in) operating activities</i>	(1,113,422)	(2,162,013)
Cash flows from investing activities:		
Dividends and interest from investments	22,171	25,373
Proceeds from sale of investments	2,174,160	2,696,425
Purchase of investments	(1,258,903)	(877,500)
<i>Net cash from investing activities</i>	937,428	1,844,298
<i>Change in cash and cash equivalents in the reporting period</i>	(175,994)	(317,715)
Non cash flow movement due to foreign exchange	21,849	(12,217)
Cash and cash equivalents at the beginning of the reporting period	294,407	624,339
<i>Cash and cash equivalents at the end of the reporting period</i>	140,262	294,407
Analysis of cash and cash equivalents		
	2022	2021
	£	£
Cash at bank	140,262	294,407
<i>Total cash and cash equivalents</i>	140,262	294,407

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 Applicable to Charities Preparing their accounts in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) (2nd Edition, effective January 2019) ("Charities SORP") and the Charities Act 2011.

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 '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) (Second Edition)' rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Foundation has opted to use the exemption under clause 16.25 of the Charities SORP from providing the names of grant recipients and the amounts of such grants during the lifetime of the settlor who donated the funds from which the grants are paid or during the lifetime of any spouse or civil partner of the settlor.

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

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 Foundation for at least 12 months.

(b) Fund accounting

Funds held by the Foundation 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) Financial instruments

Basic financial instruments, which include debtors, creditors, and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

The Foundation only has basic financial instruments.

(e) Debtors

Basic financial assets, including receivables from donors and other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

(f) 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.

(g) Investment income

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

(h) 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.

(i) 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.

(j) 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.

(k) Grant commitments

In the case of an unconditional grant offer this is recognised once the recipient has been notified of the grant award. Grant creditors are classified as amounts falling due within one year or amounts falling due after one year based on the payment dates to be made. 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.

2 Voluntary Income

	Unrestricted Funds 2022 £	Unrestricted Funds 2021 £
Donations, Grants and Gifts from Trustees	1,100,000	1,220,000
Donations, Grants and Gifts from others	-	242,000
	<u>1,100,000</u>	<u>1,462,000</u>

3 Investment Income

	2022 £	2021 £
Investments managed by Trustees:		
Equities & Bonds	22,086	21,381
Loans	-	3,992
Bank interest	86	-
	<u>22,171</u>	<u>25,373</u>
Total Investment Income	<u>22,171</u>	<u>25,373</u>

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

4 Other Charges

	2022 £	2021 £
Bank and broker charges	3,202	3,146
Bad Debt Provision	12,809	-
	<u>16,011</u>	<u>3,146</u>

5 Allocation of support costs

Support costs allocable to Charitable Activities are as follows:

	2022	2021
	£	£
Staff costs (see note 6)	31,742	31,742
Administration Charges	50,411	58,780
Other	1,978	1,208
Foreign exchange loss not directly allocated to pledges	(926)	8,766
Auditors' remuneration	8,220	6,900
	91,425	107,396

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

6 Staff costs

	2022	2021
	£	£
Salary	31,000	31,000
Employer's National Insurance & Pension Contributions	742	742
	31,742	31,742

There was one employee during the period (2021: one): Dorothy, Lady Hintze, the Chief Executive. Lady Hintze is the wife of Lord Hintze, a Trustee of the Foundation. Trustees received no remuneration and were not reimbursed for any expenses.

7 Expenditure

	Charitable Commitments	Foreign Exchange directly allocatable to pledges	Support Costs	Total 2022	Total 2021
	£	£	£	£	£
Armed Services	(39,354)	-	-	(39,354)	(5,157)
Cultural/Arts	258,160	41,212	31,735	331,107	27,882
Educational	287,024	3,941	30,576	321,541	1,801,255
Health	51,381	2,152	6,286	59,819	43,172
Religious	204,283	11,667	23,165	239,115	147,885
Social/Environment	(9,359)	(7,666)	(337)	(17,362)	761,538
Net charitable donations and commitments	752,134	51,306	91,425	894,865	2,776,575
			2022 Number	2021 Number	
Number of institutions receiving charitable commitments			15	21	

The charitable commitments of £752,134 (2021: £2,745,347) are the sum of the donations and charitable commitments of £805,369 (2021: £2,786,284) which represent legally obligated and committed charitable grants made during the year and the net discount of £53,235 (2021: release of £40,937). Of the commitments pledged in 2022 £575,229 (2021: £1,464,900) will be paid in future years.

To comply with FRS102, the outstanding grant commitments, including those pledged in prior years, are discounted to their present values. This has resulted in a net discount of £53,235 (2021: release of £40,937)

8 Fixed Asset Investments

	2022	2021
	£	£
Market value brought forward	3,528,865	4,853,909
Acquisitions at cost	1,258,903	877,500
Proceeds from sale of investments	(2,174,160)	(2,696,425)
Net gain / (loss) on revaluation *	400,116	595,534
Net gain / (loss) on foreign exchange *	72,539	(99,654)
Market value carried forward	3,086,262	3,528,865

* The net gain on investment assets is £472,665 (2021: £492,192) which is the total of net gain on revaluation and net gain / (loss) on foreign exchange.

Investments comprise:

	2022	2021
	£	£
Investments managed by Trustees:		
CQS Directional Opportunities Fund	2,578,239	2,482,250
	2,578,239	2,482,250
Other:		
Australian Bonds	508,023	1,046,615
	508,023	1,046,615
Market value carried forward	3,086,262	3,528,865

9 Debtors

	2022	2021
	£	£
Amounts due within one year:		
Prepayments	1,224	1,538
Receivable from donor	1,061,097	1,220,000
Loans	1	11,459
	1,062,321	1,232,997

10 Creditors

	2022	2021
	£	£
Amounts due within one year:		
Charitable commitments	1,531,610	2,002,257
Other creditors	42,864	50,142
	1,574,474	2,052,399
Amounts due after more than one year:		
Charitable commitments	1,808,569	2,782,017
	3,383,043	4,834,416

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 £3,453,675 (2021: £4,881,423). The increase in charitable expenditure in the year was £53,235 (2021: £40,937)

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.

In line with the Trust Deed Lord 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 by CQS (UK) LLP and CQS Jersey Limited thereafter, of which Lord Hintze is the ultimate beneficial owner. CQS (UK) LLP charged £7,048 (2021: £31,285) and CQS Jersey Limited charged £7,366 (2021: £27,495) for services provided to the Foundation during the year, covering the period from 1 January 2022 to 31 March 2022. The balance remaining to be paid at the year-end to CQS (UK) LLP was £nil (2021: £21,144) and to CQS Jersey Limited £nil (2021: £22,098) with accruals made for the period from 1 April 2022 to 31 December 2022 for CQS (UK) LLP of £10,337 (2021: nil) and CQS Jersey Limited of £24,307 (2021: nil).

- Investments and redemptions have been made and effected in the following funds of the CQS group (of which Lord Hintze is the ultimate beneficial owner). After careful consideration CQS Directional Opportunities was considered the best investment option by the other trustees in comparison with other options available, taking into account performance, risk, currency, liquidity, suitability and fees.

During the year the net redemption in GBP from the CQS Directional Opportunities Fund Limited was £325,000 (2021: investment £377,500) and the value of the investment was £2,578,239 (2021: £2,482,249) at the year end.

- In 2020 A grant of £120,000 was made to the Royal Navy & Royal Marines Charity, a UK registered charity of which Lord Hintze is the Senior Vice-Patron. The overall commitment remaining to be paid at the year-end was £650,000 (2021: £775,000).

- During the year Lord Hintze made voluntary donations to the Foundation of £1,100,000 (2021: £1,220,000) to assist the Foundation with furtherance of its principal objectives.

THE HINTZE FAMILY CHARITABLE FOUNDATION

England & Wales - Charity number 1101842

Accounts

The Hintze Family Charitable Foundation

Report and Financial Statements

For the year ended 31 December 2021

Registered with the Charity Commission
Charity No: 1101842

Contents

Page:

1	Reference and administrative information
2	Report of the Trustees
5	Report of the independent auditors
8	Statement of financial activities
9	Balance sheet
10	Statement of cash flows
11 - 18	Notes forming part of the financial statements

The Hintze Family Charitable Foundation
Report and financial statements for the year ended 31 December 2021

Reference and administrative information

Trustees	Sir Michael Hintze Sir Michael Peat Duncan Baxter (reappointed 12 January 2021) Alexander Marcham (appointed 12 December 2021, resigned 27 May 2022)
Chief Executive	Lady (Dorothy) Hintze
Charity Number	1101842
Secretary	Gemma Rooney (resigned on 12 December 2021) Michael Bisson (appointed on 12 December 2021)
Headquarters	4 th Floor One Strand London WC2N 5HR
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

The Hintze Family Charitable Foundation
Report of the Trustees for the year ended 31 December 2021 (continued)

The Trustees present their report together with the financial statements of the Foundation for the year ended 31 December 2021. 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) (2nd Edition, effective January 2019) ("Charities SORP").

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 for England and Wales 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 administrative and management processes of the Foundation are explained to the new trustee. Apart from the founding trustee, each trustee must retire from his or her 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 2021. 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 2021. Related party transactions are disclosed in note 11 to the financial statements. 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 and accountancy and administrative support are provided by CQS (UK) LLP and CQS Jersey Limited (together "CQS"). The Trustees agreed with CQS that such services should be charged from 6 April 2019 onwards (in prior years, CQS did not charge for such services). Service agreements were executed by CQS and the Trustees in 2020 confirming the commercial arrangement.

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.

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 and between 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 £2,951,024 (2020: £690,152). The Foundation has opted to use the exemption under clause 16.25 of the Charities SORP (FRS 102) from providing the names of grant recipients and the amounts of such grants during the lifetime of the settlor who donated the funds from which the grants are paid or during the lifetime of any spouse of the settlor.

Financial review, reserves and investment strategy

During the year the Foundation distributed donations of £2,499,276 (2020: £4,508,098), of which £1,650,053 (2020: £4,154,104) was committed in previous years. At year end, the Foundation was committed to £4,784,274 (2020: £4,613,035) of donations over the next 10 years.

Total support costs were £107,396 (2020: £118,597) during the year and predominately relate to staff and administration charges, along with foreign exchange gains and losses not directly attributable to pledges or investments.

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 an investment in CQS Directional Opportunities Master Fund Limited, as well as investments in Australian bonds. The combined value of all investments was £3,528,867 (2020: £4,853,909).

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 Foundation and any personal interest (including but not limited to any personal financial interest). Regarding the investment in a CQS fund, by virtue of his ultimate beneficial ownership of the CQS group, Sir Michael Hintze duly disclosed his interest and excluded himself from all discussions and decisions in relation to the investment. After careful consideration the fund was considered the best

investment option by the other Trustees, in comparison to other options available, in terms of performance, risk, currency, liquidity, suitability and fees in relation to the Foundation's pledges and creditor obligations in line with the Foundation's approved procedures.

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 2021 the Foundation had reserves of £221,853 (2020: £1,020,320) 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

The Trustees do not undertake any fundraising activities, although they can accept offers to donate. The Trustees include any such donations in the accounts as "voluntary income", together with donations made by trustees. The Trustees do not use professional fundraisers or 'commercial participators' or indeed any third parties to solicit donations. The Trustees are therefore not subject to any regulatory scheme or relevant codes of practice, nor have they received any complaints in relation to fundraising activities nor do the Trustees 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.

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.

The law applicable to charities in England & Wales 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). 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;
- observe the methods and principles in the Charities SORP;
- 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 sufficient accounting records that 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, 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 the Trustees on the 24th October 2022 and signed on their behalf by:



Sir Michael Hintze
Trustee



Sir Michael Peat
Trustee

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

Opinion

We have audited the financial statements of The Hintze Family Charitable Foundation (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the cash flow statement 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a

material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting regulations, Charities Act, Tax and Pensions legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Bourner Bullock

Russell Joseph (Senior Statutory Auditor)
For and behalf of Bourner Bullock, Statutory Auditor
114 St Martins Lane
London
WC2N 4BE

Date 24.10.2022

Bourner Bullock is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

The Hintze Family Charitable Foundation
Statement of Financial Activities for the year ended 31 December 2021

	Note	2021 £	2020 £
Income			
Donations:			
Voluntary income	2	1,462,000	2,850,000
Investment income	3	25,373	21,920
Total Income		1,487,373	2,871,920
Expenditure			
Charitable expenditure	7	(2,776,575)	(885,174)
Other charges	4	(3,146)	(723)
Total Expenditure		(2,779,721)	(885,897)
Net (Loss) / Gain on investment assets	8	493,881	(1,329,909)
Net (Loss) / Gain		(798,467)	656,114
Funds brought forward		1,020,320	364,206
Total Funds carried forward		221,853	1,020,320

All retained funds are unrestricted.

All amounts relate to continuing activities.

The notes on pages 11 to 18 form part of these financial statements.

The Hintze Family Charitable Foundation
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	8	<u>3,528,865</u>	<u>4,853,909</u>
Current assets			
Debtors: amounts falling due within one year	9	1,232,997	12,658
Cash at bank		294,407	624,339
Creditors: amounts falling due within one year	10	<u>(2,052,399)</u>	<u>(1,829,298)</u>
Net current liabilities		(524,995)	(1,192,301)
Debtors: amounts falling due after more than one year	9	-	200,000
Creditors: amounts falling due after more than one year	10	<u>(2,782,017)</u>	<u>(2,841,288)</u>
Total net assets		<u>221,853</u>	<u>1,020,320</u>
Unrestricted funds		<u>221,853</u>	<u>1,020,320</u>

Approved by the Trustees on 24th October 2022 and signed on their behalf and authorised for issue by:



Sir Michael Hintze
Trustee



Sir Michael Peat
Trustee

The notes on pages 11 to 18 form part of these financial statements.

The Hintze Family Charitable Foundation
Statement of Cash Flows for the year ended 31 December 2021

	2021	2020
	£	£
<i>Net (loss) / gain for the year</i>	(798,467)	656,114
Adjustments for:		
Net (gains)/losses on investments	(493,880)	1,329,909
Investment income	(25,373)	(21,920)
(Increase)/decrease in debtors	(1,020,339)	2,121,875
Increase)/(decrease) in creditors	163,829	(3,618,453)
Foreign exchange gain/(loss) on bank accounts and creditors	12,217	(26,956)
Cash flows from operating activities:		
<i>Net cash from / (used in) operating activities</i>	(2,162,013)	440,569
Cash flows from investing activities:		
Dividends and interest from investments	25,373	21,920
Proceeds from sale of investments	2,696,425	6,081,890
Purchase of investments	(877,500)	(6,246,465)
<i>Net cash from investing activities</i>	1,844,298	(142,655)
<i>Change in cash and cash equivalents in the reporting period</i>	(317,715)	297,914
Non cash flow movement due to foreign exchange	(12,217)	26,956
Cash and cash equivalents at the beginning of the reporting period	624,339	299,469
<i>Cash and cash equivalents at the end of the reporting period</i>	294,407	624,339
Analysis of cash and cash equivalents		
	2021	2020
	£	£
Cash at bank	294,407	624,339
<i>Total cash and cash equivalents</i>	294,407	624,339

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 Applicable to Charities Preparing their accounts in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) (2nd Edition, effective January 2019) ("Charities SORP") and the Charities Act 2011.

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 '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) (Second Edition)' rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Foundation has opted to use the exemption under clause 16.25 of the Charities SORP from providing the names of grant recipients and the amounts of such grants during the lifetime of the settlor who donated the funds from which the grants are paid or during the lifetime of any spouse or civil partner of the settlor.

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

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 Foundation for at least 12 months.

(b) Fund accounting

Funds held by the Foundation 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) Financial instruments

Basic financial instruments, which include debtors, creditors, and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

The Foundation only has basic financial instruments.

(e) Debtors

Basic financial assets, including receivables from donors and other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

(f) 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.

(g) Investment income

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

(h) 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.

(i) 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.

(j) 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.

(k) Grant commitments

In the case of an unconditional grant offer this is recognised once the recipient has been notified of the grant award. Grant creditors are classified as amounts falling due within one year or amounts falling due after one year based on the payment dates to be made. 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.

2 Voluntary Income

	Unrestricted Funds 2021 £	Unrestricted Funds 2020 £
Donations, Grants and Gifts from Trustees	1,220,000	2,850,000
Donations, Grants and Gifts from others	242,000	-
	<u>1,462,000</u>	<u>3,380,925</u>

3 Investment Income

	2021 £	2020 £
Investments managed by Trustees:		
Equities & Bonds	21,381	15,920
Loans	3,992	6,000
	<u>25,373</u>	<u>12,330</u>
Total Investment Income		

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

4 Other Charges

	2021 £	2020 £
Bank and broker charges	3,146	723
	<u>3,146</u>	<u>679</u>

5 Allocation of support costs

Support costs allocable to Charitable Activities are as follows:

	2021	2020
	£	£
Staff costs (see note 6)	31,742	31,831
Administration Charges	58,780	66,399
Other	1,208	2,627
Foreign exchange loss not directly allocated to pledges	8,766	11,500
Auditors' remuneration	6,900	6,240
	107,396	118,597

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

6 Staff costs

	2021	2020
	£	£
Salary	31,000	31,000
Employer's National Insurance & Pension Contributions	742	831
	31,742	31,831

There was one employee during the period (20120: 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.

7 Expenditure

	Charitable Commitments	Foreign Exchange directly allocatable to pledges	Support Costs	Total 2021	Total 2020
	£	£	£	£	£
Armed Services	(5,388)	-	231	(5,157)	73,826
Cultural/Arts	99,910	(76,301)	4,273	27,882	175,339
Educational	1,739,047	(5,517)	67,725	1,801,255	509,955
Health	42,637	(1,123)	1,658	43,172	140,087
Religious	143,928	(1,599)	5,556	147,885	(14,067)
Social/Environment	725,213	8,372	27,953	761,538	34
Net charitable donations and commitments	2,745,347	(76,168)	107,396	2,776,575	885,174
			2021 Number	2020 Number	
Number of institutions receiving charitable commitments			21	17	

The charitable commitments of £2,745,347 (2020: £766,577) are the sum of the donations and charitable commitments of £2,786,284 (2020: £690,152) which represent legally obligated and committed charitable grants made during the year and the net discounting release of £40,937 (2020: charge of £76,425). Of the commitments pledged in 2021, £1,464,900 (2020: £353,994) will be paid in future years.

To comply with FRS102, the outstanding grant commitments, including those pledged in prior years, are discounted to their present values. This has resulted in a net release of £40,937.

8 Fixed Asset Investments

	2021	2020
	£	£
Market value brought forward	4,853,909	6,019,243
Acquisitions at cost	877,500	6,246,465
Proceeds from sale of investments	(2,696,425)	(6,081,890)
Net gain / (loss) on revaluation *	593,534	(1,305,636)
Net loss on foreign exchange *	(99,654)	(24,273)
Market value carried forward	3,528,865	4,853,909

* The net gain on investment assets is £493,880 (2020: loss £1,329,909) which is the total of net gain / (loss) on revaluation and net loss on foreign exchange.

Investments comprise:

	2021	2020
	£	£
Investments managed by Trustees:		
CQS Credit Multi Asset Fund	-	744,537
CQS Directional Opportunities Fund	2,482,250	2,427,321
	2,482,250	3,171,858
Other:		
Australian Bonds	1,046,615	1,682,051
	1,046,615	1,682,051
Market value carried forward	3,528,865	4,853,909

9 Debtors

	2021	2020
	£	£
Amounts due within one year:		
Prepayments	1,538	1,050
Receivable from donor	1,220,000	-
Loans	11,459	11,607
	<u>1,232,997</u>	<u>12,657</u>
Amounts due after more than one year:		
Loans	-	200,000
	<u>1,232,997</u>	<u>212,657</u>

The loan of £200,000, included within debtors due after more than one year, was made to a beneficiary of the charity in 2019. The loan accrued interest at 3% and is paid quarterly in arrears. The loan was repaid in full during 2021.

10 Creditors

	2021	2020
	£	£
Amounts due within one year:		
Charitable commitments	2,002,257	1,771,747
Other creditors	50,142	57,551
	<u>2,052,399</u>	<u>1,829,298</u>
Amounts due after more than one year:		
Charitable commitments	2,782,017	2,841,288
	<u>4,834,416</u>	<u>4,670,586</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 £4,881,423 (2020: £4,625,468). The decrease in charitable expenditure in the year was £40,937 (2020: increase £76,425).

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.

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 by CQS (UK) LLP and CQS Jersey Limited thereafter, of which Sir Michael Hintze is the ultimate beneficial owner. CQS (UK) LLP charged £31,285 (2020: £57,221) and CQS Jersey Limited charged £27,495 (2020: £9,179) for services provided to the Foundation during the year. The balance remaining to be paid at the year-end to CQS (UK) LLP was £21,144 (2020: £37,291) and to CQS Jersey Limited £22,098 (2020: £6,884).

- Investments and redemptions have been made and effected into the following funds of the CQS group (of which Sir Michael Hintze is the ultimate beneficial owner). After careful consideration CQS Directional Opportunities Fund was considered the best investment option by the other trustees in comparison with other options available, taking into account performance, risk, currency, liquidity, suitability and fees.

During the year the net redemption in GBP in the CQS Credit Multi Asset Fund was £774,829 (2020: redemption £800,001) and the value of the investment was £nil (2020: £744,537) at the year end.

During the year the net investment in GBP in the CQS Directional Opportunities Fund Limited was £377,500 (2020: redemption £1,730,000) and the value of the investment was £2,480,561 (2020: £1,616,519) at the year end.

During the year the net redemption in USD in the CQS Directional Opportunities Fund Limited was £877,500 (2020: £595,123) and the value of the investment was £nil (2020: £810,801) at the year end.

- A grant of £5,000 was made during the year to The Institute of Economic Affairs Limited, a UK registered charity of which Sir Michael Hintze is a trustee (2020: £150,000). The balance remaining to be paid at the year-end was £50,000 (2020: £100,000).

- In 2020 A grant of £120,000 was made to the Royal Navy & Royal Marines Charity, a UK registered charity of which Sir Michael Hintze is the Senior Vice-Patron. The overall commitment remaining to be paid at the year-end was £775,000 (2020: £900,000).

- During the year Sir Michael Hintze made voluntary donations to the Foundation of £1,220,000 (2020: £2,850,000) to assist the Foundation with furtherance of its principal objectives.

THE HINTZE FAMILY CHARITABLE FOUNDATION

England & Wales - Charity number 1101842

Accounts

The Hintze Family Charitable Foundation

Report and Financial Statements

For the year ended 31 December 2020

Registered with the Charity Commission
Charity No: 1101842

The Hintze Family Charitable Foundation
Report and financial statements for the year ended 31 December 2020

Contents

Page:

1	Reference and administrative information
2	Report of the Trustees
6	Report of the independent auditors
9	Statement of financial activities
10	Balance sheet
11	Statement of cash flows
12 - 18	Notes forming part of the financial statements

The Hintze Family Charitable Foundation
Report and financial statements for the year ended 31 December 2020

Reference and administrative information

Trustees Sir Michael Hintze
Sir Michael Peat (reappointed 20th January 2020)
Duncan Baxter

Chief Executive Lady (Dorothy) Hintze

Charity Number 1101842

Secretary Kate Rees-Doherty (resigned 6th January 2021)
Gemma Rooney (appointed on 6th January 2021)

Headquarters 4th Floor
One Strand
London
WC2N 5HR

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

The Hintze Family Charitable Foundation
Report of the Trustees for the year ended 31 December 2020

The Trustees present their report together with the financial statements of the Foundation for the year ended 31 December 2020. 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 for England and Wales 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 administrative and management processes of the Foundation are explained to the new trustee. Apart from the founding trustee, each trustee must retire from his or her 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 2020. 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 2020. Related party transactions are disclosed in note 11 to the financial statements. 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 and accountancy and administrative support are provided by CQS (UK) LLP and CQS Jersey Limited (together "CQS"). The Trustees agreed with CQS that such services should be charged from 6 April 2019 onwards (in prior years, CQS did not charge for such services). Service agreements were executed by CQS and the Trustees in 2020 confirming the commercial arrangement.

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 2020 (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 and between 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 £690,152 (2019: £3,958,852). Donations of £50,000 or more were pledged to the following charities.

Educational

- 1) £50,000 (one-off donation) to FW de Klerk Foundation.
- 2) £132,109 (AUD50,000 per annum over five years) to the Minderoo Foundation.
- 3) £150,000 (payable over 3 years) to the Institute of Economic Affairs Limited.
- 4) £125,000 (payable over 5 years) to the University of Oxford Development Trust Fund.

Cultural/Arts

- 5) £50,000 (one-off donation) to the British Council.

Armed Services

- 6) £120,000 (one-off donation) to the Royal Navy and Royal Marines Charity

Health

- 7) £50,000 (payable over 3 years) to Royal Brompton and Harefield Hospitals Charity.
- 8) £80,709 (USD100,000 one-off donation) to YouBelong.

Financial review, reserves and investment strategy

During the year the Foundation distributed donations of £4,508,098 (2019: £3,999,797), of which £4,154,104 (2019: £2,977,139) was committed in previous years. At year end, the Foundation was committed to £4,613,035 (2019: £8,214,108) of donations over the next 12 years.

Total support costs were £35,203 (2019: £246,051) during the year and predominately relate to staff and administration charges, along with foreign exchange gains and losses not directly attributable to pledges.

The Hintze Family Charitable Foundation
Report of the Trustees for the year ended 31 December 2020 (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 investments in the CQS Credit Multi Asset and Directional Opportunities Funds, as well as investments in Australian bonds. The combined value of all investments was £4,853,909 (2019: £6,019,243).

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 Foundation 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 excluded himself 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 creditor obligations in line with the Foundation's approved procedures.

The Foundation makes 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 2020 the Foundation had reserves of £1,020,320 (2019: £364,206) 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

The Trustees do not undertake any fundraising activities, although they can accept offers to donate. The Trustees include any such donations in the accounts as "voluntary income", together with donations made by trustees. The Trustees do not use professional fundraisers or 'commercial participators' or indeed any third parties to solicit donations. The Trustees are therefore not subject to any regulatory scheme or relevant codes of practice, nor have they received any complaints in relation to fundraising activities nor do the Trustees 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 2020 (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 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. 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 Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation for that period.

In preparing these financial statements, the Trustees are required to:

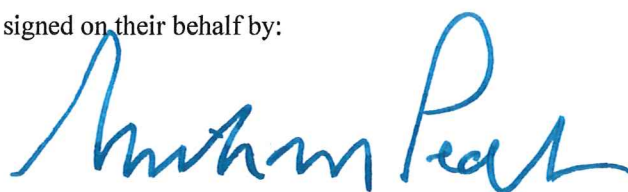
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation 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 Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on the 20th August and signed on their behalf by:



Sir Michael Hintze
Trustee



Sir Michael Peat
Trustee

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

Opinion

We have audited the financial statements of The Hintze Family Charitable Foundation (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the cash flow statement 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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.

The Hintze Family Charitable Foundation
Statement of Financial Activities for the year ended 31 December 2020

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting regulations, Charities Act, Tax and Pensions legislation, and distributable profits legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with

The Hintze Family Charitable Foundation
Statement of Financial Activities for the year ended 31 December 2020

governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Bourner Bullock

Russell Joseph (Senior Statutory Auditor)
For and behalf of Bourner Bullock, Statutory Auditor

Sovereign House
212-224 Shaftsbury Avenue
London
WC2H 8HQ

Date 20.08.2021

Bourner Bullock is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

The Hintze Family Charitable Foundation
Statement of Financial Activities for the year ended 31 December 2020

	Note	2020 £	2019 £
Income			
Donations:			
Voluntary income	2	2,850,000	3,380,925
Investment income	3	21,920	12,330
Total Income		2,871,920	3,393,255
Expenditure			
Charitable expenditure	7	(885,174)	(4,051,394)
Other charges	4	(723)	(679)
Total Expenditure		(885,897)	(4,052,073)
Net (Loss) / Gain on investment assets	8	(1,329,909)	839,423
Net gain		656,114	180,605
Funds brought forward		364,206	183,601
Total Funds carried forward		1,020,320	364,206

All retained funds are unrestricted.

All amounts relate to continuing activities.

The notes on pages 12 to 18 form part of these financial statements.

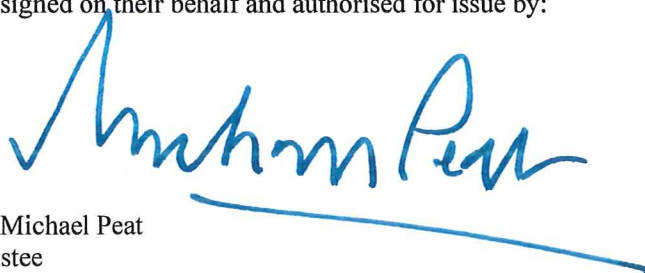
The Hintze Family Charitable Foundation
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	8	<u>4,853,909</u>	<u>6,019,243</u>
Current assets			
Debtors: amounts falling due within one year	9	12,658	2,134,533
Cash at bank		624,339	299,469
Creditors: amounts falling due within one year	10	<u>(1,829,298)</u>	<u>(4,286,370)</u>
Net current liabilities		(1,192,301)	(1,852,368)
Debtors: amounts falling due after more than one year	9	200,000	200,000
Creditors: amounts falling due after more than one year	10	<u>(2,841,288)</u>	<u>(4,002,669)</u>
Total net assets		<u>1,020,320</u>	<u>364,206</u>
Unrestricted funds		<u>1,020,320</u>	<u>364,206</u>

Approved by the Trustees on 20th August and signed on their behalf and authorised for issue by:



Sir Michael Hintze
Trustee



Sir Michael Peat
Trustee

The notes on pages 12 to 18 form part of these financial statements.

The Hintze Family Charitable Foundation
Statement of Cash Flows for the year ended 31 December 2020

	2020	2019
	£	£
<i>Net gain for the year</i>	656,114	180,605
Adjustments for:		
Net losses/(gains) on investments	1,329,909	(839,423)
Investment income	(21,920)	(12,330)
Decrease/(increase) in debtors	2,121,875	(2,321,375)
(Decrease)/increase in creditors	(3,618,453)	87,881
Foreign exchange loss on bank accounts and creditors	(26,956)	(74,635)
Cash flows from operating activities:		
<i>Net cash from / (used in) operating activities</i>	440,569	(2,979,277)
Cash flows from investing activities:		
Dividends and interest from investments	21,920	12,330
Proceeds from sale of investments	6,081,890	3,914,693
Purchase of investments	(6,246,465)	(1,251,894)
<i>Net cash from investing activities</i>	(142,655)	2,675,129
<i>Change in cash and cash equivalents in the reporting period</i>	297,914	(304,148)
Non cash flow movement due to foreign exchange	26,956	74,635
Cash and cash equivalents at the beginning of the reporting period	299,469	528,982
<i>Cash and cash equivalents at the end of the reporting period</i>	624,339	299,469
Analysis of cash and cash equivalents		
	2020	2019
	£	£
Cash at bank	624,339	299,469
<i>Total cash and cash equivalents</i>	624,339	299,469

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 Applicable to Charities Preparing their accounts in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) (2nd Edition, effective January 2019) ("Charities SORP") and the Charities Act 2011.

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 '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) (Second Edition)' rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

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 Foundation for at least 12 months.

The prior year figures are unaudited.

(b) Fund accounting

Funds held by the Foundation 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) Financial instruments

Basic financial instruments, which include debtors, creditors, and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

The Foundation only has basic financial instruments.

(e) Debtors

Basic financial assets, including receivables from donors and other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

(f) 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.

(g) Investment income

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

(h) 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.

(i) 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.

(j) 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.

(k) Grant commitments

In the case of an unconditional grant offer this is recognised once the recipient has been notified of the grant award. Grant creditors are classified as amounts falling due within one year or amounts falling due after one year based on the payment dates to be made. 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.

2 Voluntary Income

	Unrestricted Funds 2020 £	Unrestricted Funds 2019 £
Donations, Grants and Gifts from Trustees	2,850,000	3,264,001
Donations, Grants and Gifts from others	-	116,924
	2,850,000	3,380,925

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2020 (continued)

3 Investment Income

	2020	2019
	£	£
Investments managed by Trustees:		
Equities	15,920	7,566
Loans	6,000	4,764
Total Investment Income	21,920	12,330

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

4 Other Charges

	2020	2019
	£	£
Bank and broker charges	723	644
Investment Portfolio charges	-	35
	723	679

5 Allocation of support costs

Support costs allocable to Charitable Activities are as follows:

	2020	2019
	£	£
Staff costs (see note 6)	31,831	31,746
Consultancy costs	-	4,500
Administration Charges	66,399	66,674
Other	2,627	2,296
Foreign exchange loss not directly allocated	11,500	133,875
Auditors' remuneration	6,240	6,960
	118,597	246,051

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.

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2020 (continued)

6 Staff costs

	2020	2019
	£	£
Salary	31,000	30,967
Employer's National Insurance & Pension Contributions	831	779
	<u>31,831</u>	<u>31,746</u>

There was one employee during the period (2019: 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.

7 Expenditure

	Charitable Commitments	Foreign Exchange	Support Costs	Total 2020	Total 2019
	£	£	£	£	£
Armed Services	72,024	-	1,802	73,826	296,179
Cultural/Arts	101,418	70,350	3,571	175,339	3,100,092
Educational	471,427	14,830	23,698	509,955	372,405
Health	133,659	(367)	6,795	140,087	104,211
Religious	(11,985)	(1,419)	(663)	(14,067)	284,514
Social/Environment	34	-	-	34	(106,007)
	<u>766,577</u>	<u>83,394</u>	<u>35,203</u>	<u>885,174</u>	<u>4,051,394</u>
Net charitable donations and commitments					

	2020 Number	2019 Number
Number of institutions receiving charitable commitments	<u>17</u>	<u>38</u>

The charitable commitments of £766,577 (2019: £4,013,853) is the sum of the donations and charitable commitments of £690,152 (2019: £3,958,852) which represent legally obligated and committed charitable grants made during the year and the net discounting charge of £76,425 (2019: £55,001). Of the commitments pledged in 2020, £353,994 (2019: £2,936,194) will be paid in future years.

To comply with FRS102, the outstanding grant commitments, including those pledged in prior years, are discounted to their present values. This has resulted in a net charge of £76,425. The charge has arisen primarily because as the payment dates for pledges made before 2020 become closer, the overall discount on all outstanding pledges reduces.

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2020 (continued)

8 Fixed Asset Investments

	2020 £	2019 £
Market value brought forward	6,019,243	7,842,619
Acquisitions at cost	6,246,465	1,251,894
Proceeds from sale of investments	(6,081,890)	(3,914,694)
Net (loss) / gain on revaluation *	(1,305,636)	938,550
Net loss on foreign exchange *	(24,273)	(99,126)
Market value carried forward	4,853,909	6,019,243
Historical Cost	5,134,506	5,006,802

* The net loss on investment assets is £1,329,909 (2019: gain £839,423) which is the total of net (loss) / gain on revaluation and net loss on foreign exchange.

Investments comprise:

	2020 £	2019 £
Investments managed by Trustees:		
CQS Credit Multi Asset Fund	744,537	1,828,874
CQS Directional Opportunities Fund	2,427,321	4,190,369
	3,171,858	6,019,243
Other:		
Australian Bonds	1,682,051	-
	1,682,051	-
Market value carried forward	4,853,909	6,019,243

The Hintze Family Charitable Foundation
Notes to the accounts for the year ended 31 December 2020 (continued)

9 Debtors

	2020 £	2019 £
Amounts due within one year:		
Prepayments	1,050	2,498
Receivable from donor	-	2,115,585
Loans	11,607	16,450
	<u>12,657</u>	<u>2,134,533</u>
Amounts due after more than one year:		
Loans	200,000	200,000
	<u>212,657</u>	<u>2,334,533</u>

The loan of £200,000, included within debtors due after more than one year, was made to a beneficiary of the charity in 2019. The loan accrues interest at 3% and is paid quarterly in arrears. The loan is expected to be repaid in full in 2024.

10 Creditors

	2020 £	2019 £
Amounts due within one year:		
Charitable commitments	1,771,747	4,211,440
Other creditors	57,551	74,930
	<u>1,829,298</u>	<u>4,286,370</u>
Amounts due after more than one year:		
Charitable commitments	2,841,288	4,002,669
	<u>4,670,586</u>	<u>8,289,038</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 £4,625,468 (2019: £8,302,965). The increase in charitable expenditure in the year was £76,425 (2019: £55,001).

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.

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 by CQS (UK) LLP and CQS Jersey Limited thereafter, of which Sir Michael Hintze is the ultimate beneficial owner. CQS (UK) LLP charged £57,221 (2019: £59,791) and CQS Jersey Limited charged £9,179 (2019: £6,882) for services provided to the Foundation during the year. The balance remaining to be paid at the year-end to CQS (UK) LLP was £37,291 (2019: £59,791) and to CQS Jersey Limited £6,884 (2019: £6,882).

- 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 GBP in the CQS Credit Multi Asset Fund was £800,001 (2019: redemption £1,237,595) and the value of the investment was £744,537 (2019: £nil) at the year end.

During the year the net redemption in GBP in the CQS Directional Opportunities Fund Limited was £1,730,000 (2019: £nil) and the value of the investment was £1,616,519 (2019: £4,190,369) at the year end.

During the year the net redemption in USD in the CQS Directional Opportunities Fund Limited was £595,123 (2019: £nil) and the value of the investment was £810,801 (2019: £1,828,873) at the year end.

- A grant of £150,000 was made during the year to The Institute of Economic Affairs Limited, a UK registered charity of which Sir Michael Hintze is a trustee (2019: £nil). The balance remaining to be paid at the year-end was £100,000 (2019: £nil).

- A grant of £120,000 was made during the year to the Royal Navy & Royal Marines Charity, a UK registered charity of which Sir Michael Hintze is the Senior Vice-Patron. The overall commitment remaining to be paid at the year-end was £900,000 (2019: £1,110,666).

- During the year Sir Michael Hintze made voluntary donations to the Foundation of £2,850,000 (2019: £3,264,001) to assist the Foundation with furtherance of its principal objectives.