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# **The Hintze Family Charitable Foundation**

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## **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**

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

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**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 6<sup>th</sup> January 2021)  
Gemma Rooney (appointed on 6<sup>th</sup> January 2021)

**Headquarters** 4<sup>th</sup> 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**

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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)**

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**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)**

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**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)**

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**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:

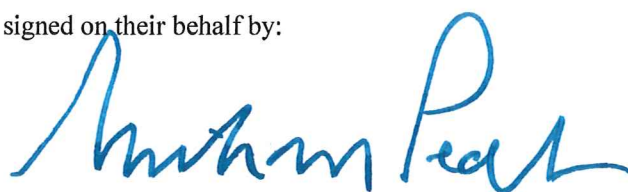
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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**

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**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**

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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**

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

All retained funds are unrestricted.

All amounts relate to continuing activities.

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

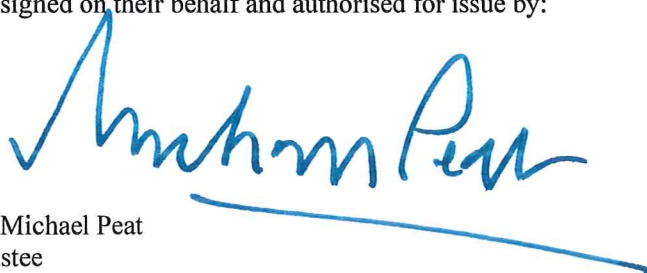
**The Hintze Family Charitable Foundation**  
**Balance Sheet as at 31 December 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	8	<u>4,853,909</u>	<u>6,019,243</u>
<b>Current assets</b>			
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>
<b>Net current liabilities</b>		<b>(1,192,301)</b>	<b>(1,852,368)</b>
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>
<b>Total net assets</b>		<b><u>1,020,320</u></b>	<b><u>364,206</u></b>
<b>Unrestricted funds</b>		<b><u>1,020,320</u></b>	<b><u>364,206</u></b>

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**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<i>Net gain for the year</i>	656,114	180,605
<b>Adjustments for:</b>		
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)
<b>Cash flows from operating activities:</b>		
<i>Net cash from / (used in) operating activities</i>	<b>440,569</b>	<b>(2,979,277)</b>
<b>Cash flows from investing activities:</b>		
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>	<b>(142,655)</b>	<b>2,675,129</b>
<i>Change in cash and cash equivalents in the reporting period</i>	297,914	(304,148)
<b>Non cash flow movement due to foreign exchange</b>	26,956	74,635
<b>Cash and cash equivalents at the beginning of the reporting period</b>	299,469	528,982
<i>Cash and cash equivalents at the end of the reporting period</i>	<b>624,339</b>	<b>299,469</b>
<b>Analysis of cash and cash equivalents</b>		
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cash at bank	624,339	299,469
<i>Total cash and cash equivalents</i>	<b>624,339</b>	<b>299,469</b>

## **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
	<hr/>	<hr/>
	2,850,000	3,380,925
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**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
	<hr/>	<hr/>
Total Investment Income	<b>21,920</b>	<b>12,330</b>
	<hr/> <hr/>	<hr/> <hr/>

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
	<hr/>	<hr/>
	<b>723</b>	<b>679</b>
	<hr/> <hr/>	<hr/> <hr/>

**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
	<hr/>	<hr/>
	<b>118,597</b>	<b>246,051</b>
	<hr/> <hr/>	<hr/> <hr/>

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>
<b>Net charitable donations and commitments</b>					

	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 £
<b>Amounts due within one year:</b>		
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>
<b>Amounts due after more than one year:</b>		
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 £
<b>Amounts due within one year:</b>		
Charitable commitments	1,771,747	4,211,440
Other creditors	57,551	74,930
	<u>1,829,298</u>	<u>4,286,370</u>
<b>Amounts due after more than one year:</b>		
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.