

THE PACK FOUNDATION
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

Registered charity number: 1118301

THE PACK FOUNDATION

CONTENTS

	Page
Legal and administrative information	1
Trustees' Report	2-4
Independent examiner's report	5
Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8-12

THE PACK FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Gerald N Pack Carol A Pack Elisabeth Hirlemann Matthew Pack Simon Pack Jeremy Pack Hannah Pack
Key Management Personnel	Trustees as above, and Simon Whitehouse
Principal address	37 St Margaret's Street Canterbury Kent CT1 2TU
Independent examiner	Samantha Rouse FCCA DChA Kreston Reeves LLP Chartered Accountants 37 St Margaret's Street Canterbury Kent CT1 2TU
Bankers and Investment Managers	Coutts & Co 440 Strand London WC2R 0QS

THE PACK FOUNDATION

TRUSTEES' REPORT YEAR ENDED 31 MARCH 2021

The Trustees present their annual report and financial statements for the year ended 31 March 2021

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, 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 (FRS102) (effective January 2019).

Objectives and activities

Under the Declaration of Trust the stated objective of the Charity is to:

"hold the Trust Fund and its income upon trust for such purposes which are exclusively charitable under the laws of England and Wales as the Trustees may decide from time to time".

Public benefit statement

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

Achievements and performance in the year

The main activities of the charity fall into three categories;

1. Obtaining or raising charitable donations
2. Maximising long term investment returns from funds of the charity to enable funding for future grants or donations
3. Identifying, evaluating and determining the levels of grants or donations appropriate, if any, to local, national and international charitable causes.

The strategies adopted for meeting the Charity's stated objectives are to:

- a) Seek charitable donations to fund the charity.
- b) Maximise long term income from existing funds through frequent review alongside active and regular communication with the appointed investment manager.
- c) Actively seek charitable causes.

Historic charitable donations in excess of £1m have been secured previously which provide funds for the charity from which to make future grants or donations and generate a long term investment income stream.

Surplus funds have been invested in a reputable, actively managed investment fund specifically tailored to the requirements of the charity sector. Whilst investment performance has proved volatile at times, the Trustees continue to be of the view that such an investment strategy is appropriate to fulfil the requirements of the charity regarding an optimum long term income stream.

Total income during the year was £54,309 (2020: £41,286). Expenditure totalled £63,931 (2020: £71,768). This resulted in net expenditure before gains on investments of £368,573 (2020: deficit £190,410).

Charitable contributions

During the period charitable grants and donations of £53,916 (2020: £62,193) were made. The Trustees continue to actively investigate charitable causes with the aim of making further grants in the coming year.

THE PACK FOUNDATION

TRUSTEES' REPORT (CONTINUED) YEAR ENDED 31 MARCH 2021

Reserves policy

The Trustees maintain reserves at a level they deem sufficient for the future needs of the charity. The Trustees consider that free reserves should equate to around six months operating costs which is equivalent to £5,000 to £10,000 (2020: £5,000 - £10,000).

In prior years the Trustees had increased the level of free reserves to £75,000 due to perceived volatility in global markets - this was reduced last year to £50,000 and following solid growth in the market since summer 2020 the targetted level of free reserves had been reduced further to sit in a range of £30,000 - £50,000. It is hoped that this can be reduced further in future years in order to minimise the value of funds held in "nil-risk" investments earning minimal returns.

At 31 March 2021, unrestricted reserves amounted to £44,338 (2020: £52,886).

Designated funds at 31 March 2021 amounted to £1,782,834 (2020: £1,405,713) and these comprise the charity's fixed asset investments.

Investment policy

All of the charity's investments are managed by Coutts & Co, who have complete authority to invest the charity's funds in institutions which suits the charity's requirement for optimum long term returns on funds invested alongside assessing the risk strategy jointly with the trustees. The Trustees are presently satisfied the charity is receiving a reliable and economic service.

Investment performance

Financial headwinds caused by the Covid 19 pandemic seriously impacted investments in 2020, but the Trustees confidence that the portfolio would deliver strong results over the longer term have been rewarded with returns over the year equating to 28.4% of the portfolios' opening value.

The retention of funds to support charitable works in the short term has isolated the charity from fluctuations in valuations, preventing it impacting on charitable distributions in the short term.

Grant making policy

The Trustees consider a broad range of local, national and international charitable causes and consider which the charity is best placed to assist with funding.

Pay policy for key management personnel

The trustees consider themselves and Simon Whitehouse, who is an external consultant, as the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee received remuneration in the year.

Risk assessment

The trustees have considered the risks relevant to the charity and are of the opinion that currently they are low and procedures are in place to identify and control these and new risks as they arise.

Charity's plans for the future

The Trustees consider the plans of the charity to be;

- Maximise the long term returns of the investments of the charity and seek further incoming donations
- Identify and evaluate local, national and international charitable causes
- Utilise charity funds to further those causes identified

Structure

The charity, which is registered with the Charity Commission under number 1118301, is established under a Declaration of Trust dated 9 February 2007.

Going Concern

At the time of signing the accounts the Trustees are aware of the potential economic and social effects of the Covid-19 virus outbreak. The full impact of the pandemic on the UK economy is yet to be seen, but the charity will continue to seek to mitigate this risk by following the UK Government's guidelines and considering its own internal strategy.

THE PACK FOUNDATION

TRUSTEES' REPORT (CONTINUED) YEAR ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in existence.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which 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. The trustees are responsible for safeguarding the assets of the charity and hence to taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Trustees

Carol Pack
Trustee

Date: 1/7/2021

THE PACK FOUNDATION

INDEPENDENT EXAMINER'S REPORT YEAR ENDED 31 MARCH 2021

I report to the trustees on my examination of the accounts of The Pack Foundation (the charity) for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

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

Samantha Rouse FCCA DChA
Kreston Reeves LLP
Canterbury

Date: 1/7/2021

THE PACK FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2021**

	Notes	Unrestricted funds	
		2021 £	2020 £
Income from:			
Investment income		28,463	36,567
Donations received		20,677	3,775
Gift Aid		5,169	944
Total income		54,309	41,286
Expenditure on:			
Cost of raising funds			
Investment management fees		7,973	7,961
Charitable expenditure	2	53,916	62,193
Other expenditure	3	2,042	1,614
Total expenditure		63,931	71,768
Net income before gains on investments		(9,622)	(30,482)
Realised and unrealised gains on investments	5.2	379,239	(160,146)
Exchange rate movements on cash held as investment		(1,044)	218
Net movement in funds		368,573	(190,410)
Reconciliation of funds:			
Fund balances at 1 April 2020		1,458,599	1,649,009
Fund balances at 31 March 2021		1,827,172	1,458,599

All income and expenditure derive from continuing activities.
The notes on pages 8 to 12 form part of these financial statements.

THE PACK FOUNDATION

**BALANCE SHEET
AS AT 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	5	1,782,834		1,405,713	
Current assets					
Debtors	6	5,169		944	
Cash at bank	7	41,433		54,127	
		<u>46,602</u>		<u>55,071</u>	
Creditors: amounts falling due within one year	8	<u>(2,264)</u>		<u>(2,185)</u>	
Net current assets			44,338		52,886
Total assets less current liabilities			<u>1,827,172</u>		<u>1,458,599</u>
Funds					
Unrestricted funds			44,338		52,886
Designated funds			1,782,834		1,405,713
	10		<u>1,827,172</u>		<u>1,458,599</u>

Approved and authorised for issue by the Trustees on 1/7/2021.

Carol Pack
Trustee

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.1 General information and basis of preparation

The Pack Foundation is a registered charity with the Charity Commission in the United Kingdom. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to "hold the Trust Fund and its income upon trust for such purposes which are exclusively charitable under the laws of England and Wales as the Trustees may decide from time to time".

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 - Effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Funds accounting

Unrestricted general funds are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds represent funds invested in fixed assets which are held to earn returns to enable the charity to achieve its charitable aims.

1.3 Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

- Income from investments and deposits is taken to revenue in the period in which the income is received.
- Donations and gift aid are accounted for on a receivable basis.
- Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of donation.

1.4 Financial instruments accounting policy

The charity has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Investments in non-convertible preference shares and in non-puttable ordinary and preferences shares are measured:

- At fair value with changes recognised in the statement of financial activities and are publicly traded or their fair value can otherwise be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED 31 MARCH 2021

1.5 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Expenditure on raising funds includes all expenditure incurred by a charity to raise funds for its charitable purposes.
- Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its charitable activities.

1.6 Investments

Investments are included at market value at the year end. Gains and losses on the revaluation and disposal of investments are reflected in the Statement of Financial Activities.

1.7 Grants

The charity has or may make charitable donations or grants in the form of specific donations to local, national or international charitable causes. Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.8 Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.9 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.10 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believes that no material uncertainties exist. The Trustees has considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

At the time of signing the accounts the Trustees are aware of the continued potential economic and social effects of the Covid-19 virus outbreak. The long term impact of the pandemic on the UK economy is still to be seen, but the charity will continue to seek to mitigate this risk by following the UK Government's guidelines and considering its own internal strategy.

1.11 Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no areas of judgements or estimation uncertainty.

THE PACK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED 31 MARCH 2021

2	Direct charitable expenditure	2021	2020
		£	£
	General grants;		
	World Land Trust	20,000	-
	Porchlight	10,000	10,000
	Young Lives Foundation	10,000	5,000
	Kent Community Foundation	8,082	-
	Prostate Cancer	5,000	5,000
	Demelza	5,000	2,000
	Good Chance Theatre	5,000	-
	NSPCC	2,004	2,004
	Pilgrims Hospice	2,000	2,000
	NHS Together	1,000	-
	Chalkdown RDA	-	10,000
	Romney Marsh Community	-	2,500
	Age UK Hythe	-	2,500
	London Children's Ballet	-	2,000
	Kent Mining Heritage Foundation - donation returned in current year	(15,000)	15,000
	Other sundry grants	830	4,189
		<u>53,916</u>	<u>62,193</u>
3	Other expenditure	2021	2020
		£	£
	Accountants remuneration	1,380	1,230
	Professional fees	662	384
		<u>2,042</u>	<u>1,614</u>
4	Trustees' remuneration		
	The Trustees received no remuneration or reimbursement during the year (2020: None).		
	The Trustees consider themselves and Simon Whitehouse comprise the Key Management Personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Simon Whitehouse is an external consultant.		
	As noted above no Trustees received any remuneration during the year (2020: £nil) and amounts due to Key Management Personnel in the year amounted to £664 (2020: £384).		
5	Fixed assets investments	2021	2020
5.1	Quoted investments comprise:	£	£
	Bank and cash deposits	19,741	72,224
	Coutts Bank Charity Portfolio (note 5.2)	1,763,093	1,333,489
		<u>1,782,834</u>	<u>1,405,713</u>
5.2	Quoted investments	2021	2020
		£	£
	At 1 April 2020	1,333,489	1,515,253
	Additions	1,395,351	1,044,540
	Disposals	(1,344,986)	(1,066,158)
	Net realised and unrealised investment (losses) / gains	379,239	(160,146)
	At 31 March 2021	<u>1,763,093</u>	<u>1,333,489</u>

THE PACK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED 31 MARCH 2021

5	Fixed assets investments	2021	2020
		£	£
5.3	Cost at 31 March	1,645,621	1,348,407
	Holdings in investments at 31 March, which are material in value are:		
	Coutts Europe US Equity Index Fund	260,968	-
	Equator UK Sov Debt fund	222,755	34,041
	Coutts Europe Actively Managed UK Equity Index Fund	199,949	-
	Coutts Europe Actively Managed US Equity Index Fund	133,780	-
	iShares FTSE 100 UCITS ETF GBP	128,902	108,832
	Coutts actively managed global investment grade credit fund C GBP Hec	67,836	-
	Coutts Europe ex UK Equity Index Fund	63,636	-
	Multi Units Lyxor ETF S&P 500 £ daily hedged	63,325	-
	Vangaurd Emerging Markets Stock Index	59,852	16,960
	Capital International Fund New Perspective Fund	52,220	35,210
	Xtrackers - MSCI Japan	50,896	-
	Artemis UK Select Fund GBP	41,082	24,092
	Schroder Income Fund GBP	39,172	23,754
	Vanguard FTSE All Share Index GBP	36,037	26,259
	Royal London sustainable leaders	34,478	-
	Robeco Capital growth - Emerging Stars	30,470	-
	Multi Units Lyxor ETF S&P 500 D	-	220,729
	Invesco Markets II US Treasury Bond 7-10 year GBP	-	123,488
	Edgewood L Select SICAV Shares GBP D / US Selec Growth Capitalisat	-	64,200
	Vontobel - Emerging Markers Debt Capitalisation	-	39,128
	BlackRock Europe ex-UK Index Sub-Fd	-	38,731
	Investec Funds Series I - UK Alpha Fund Shares	-	36,669
	Liontrust Special Situations	-	32,892
6	Debtors	2021	2020
		£	£
	Gift Aid	5,169	944
7	Cash at bank	2021	2020
		£	£
	Bank and money market deposits	41,433	54,127
8	Creditors: amounts falling due within one year	2021	2020
		£	£
	Accruals and deferred income	2,264	2,185
9	Financial instruments	2021	2020
		£	£
	Financial assets measured at fair value	1,763,093	1,333,489
	Financial assets measured at fair value comprise investments.		

THE PACK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED 31 MARCH 2021

10 Unrestricted funds

Unrestricted funds - current year

	As at 1 April 2020 £	Income £	Expenditure £	Unrealised gains £	Transfer between funds £	As at 31 March 2021 £
Unrestricted						
- General fund	52,886	25,881	(55,958)	-	21,529	44,338
Designated fund						
- Fixed asset investment	1,405,713	27,384	(7,973)	379,239	(21,529)	1,782,834
	<u>1,458,599</u>	<u>53,265</u>	<u>(63,931)</u>	<u>379,239</u>	<u>-</u>	<u>1,827,172</u>

Unrestricted funds - prior year

	As at 1 April 2019 £	Income £	Expenditure £	Unrealised gains £	Transfer between funds £	As at 31 March 2020 £
Unrestricted						
- General fund	82,331	4,841	(63,808)	-	29,522	52,886
Designated fund						
- Fixed asset investment	1,566,679	36,663	(7,961)	(160,146)	(29,522)	1,405,713
	<u>1,649,010</u>	<u>41,504</u>	<u>(71,769)</u>	<u>(160,146)</u>	<u>-</u>	<u>1,458,599</u>

Transfer between funds

The transfer between the designated and general funds represents the transfer of the movements on the fixed asset funds for the year.

Purpose of designated fund

The fixed asset investments fund is held to earn returns to enable the charity to achieve its charitable aims.

11 Related party transactions

During the year J Pack, a trustee, donated £20,677 in cash (2020: G Pack donated £2,200), shown as donations received in the Statement of Financial Activities. No donations were received subsequent to the period end.