

THE PACK FOUNDATION
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

Registered charity number: 1118301

THE PACK FOUNDATION

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THE PACK FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Gerald N Pack Carol A Pack Elisabeth Hirlemann Matthew Pack Simon Pack Jeremy Pack Hannah Aylett
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 2023

The Trustees present their annual report and financial statements for the year ended 31 March 2023.

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 to
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 £46,361 (2022: £34,927). Expenditure totalled £37,924 (2022: £92,852). This resulted in net expenditure before gains on investments of £8,437 (2022: £57,925).

Charitable contributions

During the period charitable grants and donations of £26,978 (2022: £81,057) 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 2023

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 (2022: £5,000 - £10,000).

Prior to last year, for a number of years the Trustees had increased the level of free reserves to £75,000 due to perceived volatility in global markets. Last year free reserves were reduced to normal levels.

At 31 March 2023, unrestricted reserves amounted to £23,725 (2022: £9,989), which was higher due to greater than anticipated investment income and donations received towards the end of the period.

Designated funds at 31 March 2023 amounted to £1,761,203 (2022: £1,855,353) 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

Since the Covid 19 pandemic seriously impacted investments in 2020 the portfolio has performed well. However, following the invasion of Ukraine and ongoing supply chain issues in the global economy investments have been impacted.

Despite recovering in the second half of the year, the cumulative fall in investment during the current year was 5% of the opening investment value.

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.

THE PACK FOUNDATION

TRUSTEES' REPORT (CONTINUED) YEAR ENDED 31 MARCH 2023

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 _____

Carol Pack
Trustee

Date: 19th June 2023

THE PACK FOUNDATION

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PACK FOUNDATION
YEAR ENDED 31 MARCH 2023**

I report to the trustees on my examination of the accounts of the charity for the year ended 31 March 2023.

Responsibilities and basis of report

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

I report in respect of my examination of the charity's accounts carried out under section 145 of the 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 2011 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.

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. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or this report.

Samantha Rouse FCCA DChA

**Kreston Reeves LLP
Chartered Accountants
Canterbury**

Date: 19 June 2023

THE PACK FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds	
		2023 £	2022 £
Income from:			
Investment income		35,832	31,839
Donations received		8,420	2,470
Other income		4	
Gift Aid		2,105	618
Total income		46,361	34,927
Expenditure on:			
Cost of raising funds			
Investment management fees		8,742	9,065
Charitable expenditure	2	26,978	81,057
Other expenditure	3	2,204	2,730
Total expenditure		37,924	92,852
Net income before gains on investments		8,437	(57,925)
Realised and unrealised gains on investments	5.2	(90,662)	95,591
Exchange rate movements on cash held as investment		1,811	504
Net movement in funds		(80,414)	38,170
Reconciliation of funds:			
Fund balances at 1 April 2022		1,865,342	1,827,172
Fund balances at 31 March 2023		1,784,928	1,865,342

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 8 to 12 form part of these financial statements.

THE PACK FOUNDATION

BALANCE SHEET
AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investments	5	1,761,203		1,855,353	
Current assets					
Debtors	6	2,105		618	
Cash at bank	7	24,224		12,079	
		<u>26,329</u>		<u>12,697</u>	
Creditors: amounts falling due within one year	8	<u>(2,604)</u>		<u>(2,708)</u>	
Net current assets		23,725		9,989	
Total assets less current liabilities		<u>1,784,928</u>		<u>1,865,342</u>	
Funds					
Unrestricted funds		23,725		9,989	
Designated funds	10	<u>1,761,203</u>		<u>1,855,353</u>	
		<u>1,784,928</u>		<u>1,865,342</u>	

Approved and authorised for issue by the Trustees on *19th June 2023*

Carol Pack
Trustee

THE PACK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

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 preference 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.

THE PACK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 MARCH 2023

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 (including cash or other highly liquid and/or short term investments within the portfolio) 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.

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.

1.12 Cash at bank and in hand

Balances held in current account or deposit accounts immediately available to the Trustees are shown as cash.

Cash or other highly liquid and/or short term investments held within the investment portfolio managed by Investment Managers are not deemed as cash, as only held for the purpose of optimising outcomes from the investment portfolio - see also note 1.6

THE PACK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED 31 MARCH 2023

2	Direct charitable expenditure	2023	2022
		£	£
	General grants;		
	Porchlight	10,000	15,000
	Demelza	5,000	5,000
	Good Chance Theatre	5,000	-
	Kent Community Foundation	2,855	2,473
	NSPCC	668	2,004
	Royal British Legion	-	20,000
	British Red Cross	-	10,000
	UNHCR UK	-	10,000
	Prostate Cancer	-	5,000
	King's College Hospital Charity	-	5,000
	Royal Marsden Cancer Charity	-	3,600
	Other sundry grants	3,455	2,980
		<u>26,978</u>	<u>81,057</u>
3	Other expenditure	2023	2022
		£	£
	Accountants remuneration	1,422	1,844
	Professional fees	782	886
		<u>2,204</u>	<u>2,730</u>
	Included within 'Accountants remuneration' are Independent Examiners fees of £1,422 (2022: £1,844).		
4	Trustees' remuneration		
	The Trustees received no remuneration or reimbursement during the year (2022: None).		
	The Trustees consider that 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 (2022: £nil) and amounts due to Key Management Personnel in the year amounted to £782 (2022: £886).		
5	Fixed assets investments	2023	2022
5.1	Quoted investments comprise:	£	£
	Bank and cash deposits	31,249	36,811
	Coutts Bank Charity Portfolio (note 5.2)	1,729,954	1,818,542
		<u>1,761,203</u>	<u>1,855,353</u>
5.2	Quoted investments	2023	2022
		£	£
	At 1 April 2022	1,818,542	1,763,093
	Additions	887,846	759,555
	Disposals	(885,772)	(799,697)
	Net realised and unrealised investment (losses) / gains	(90,662)	95,591
	At 31 March 2023	<u>1,729,954</u>	<u>1,818,542</u>

THE PACK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED 31 MARCH 2023

5	Fixed assets investments	2023	2022
		£	£
5.3	Cost at 31 March	1,697,537	1,682,568
	Holdings in investments at 31 March, which are material in value are:		
	Coutts UK ESG Insights Equity Fund	326,148	118,728
	Coutts US and Canada Enhanced Index Govt Bond Fund C GBP Dist	287,030	-
	Coutts US ESG Insights Equity Fund	282,502	323,926
	Coutts Europe Actively Managed US Equity Index Fund	148,719	177,860
	Coutts Europe Actively Managed UK Equity Index Fund	132,507	140,050
	Vanguard Emerging Markets Stock Index	68,763	29,146
	Invesco European Equity Fund	53,093	64,423
	Legal & General Health and Pharma	49,316	41,869
	Royal London Bond Funds ICVC Shares Y GBP Royal London Short Term	41,696	-
	Neuberger Berman Short Duration Emerging Mkt Debt	41,158	45,056
	Robeco Capital growth - Emerging Stars	34,943	37,307
	Coutts US ESG Insights Equity Fund (hedged)	33,069	43,757
	Coutts Europe Enhanced Index Government Bond Fund C GBP Dist	29,192	-
	Xtrackers - MSCI Japan	27,482	28,887
	Royal London sustainable leaders	18,088	39,009
	Artemis UK Select Fund GBP	17,827	35,170
	Equator UK Sov Debt fund	-	233,788
	iShares FTSE 100 UCITS ETF GBP	-	144,271
	Capital International Fund New Perspective Fund	-	57,739
	UBS China Fixed Income	-	43,404
	Schroder Income Fund GBP	-	36,996
6	Debtors	2023	2022
		£	£
	Gift Aid	2,105	618
7	Cash at bank	2023	2022
		£	£
	Bank and money market deposits	24,224	12,079
8	Creditors: amounts falling due within one year	2023	2022
		£	£
	Accruals and deferred income	2,604	2,708
9	Financial instruments	2023	2022
		£	£
	Financial assets measured at fair value	1,729,954	1,818,542
	Financial assets measured at fair value comprise investments.		

THE PACK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
YEAR ENDED 31 MARCH 2023

10 Unrestricted funds

Unrestricted funds - current year

	As at 1 April 2022 £	Income £	Expenditure £	Unrealised losses £	Transfer between funds £	As at 31 March 2023 £
Unrestricted						
- General fund	9,989	10,619	(29,182)	-	32,299	23,725
Designated fund						
- Fixed asset investment	1,855,353	35,742	(8,742)	(88,851)	(32,299)	1,761,203
	<u>1,865,342</u>	<u>46,361</u>	<u>(37,924)</u>	<u>(88,851)</u>	<u>-</u>	<u>1,784,928</u>

Unrestricted funds - prior year

	As at 1 April 2021 £	Income £	Expenditure £	Unrealised gains £	Transfer between funds £	As at 31 March 2022 £
Unrestricted						
- General fund	44,338	3,093	(83,787)	-	46,345	9,989
Designated fund						
- Fixed asset investment	1,782,834	31,834	(9,065)	96,095	(46,345)	1,855,353
	<u>1,827,172</u>	<u>34,927</u>	<u>(92,852)</u>	<u>96,095</u>	<u>-</u>	<u>1,865,342</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 £8,420 of donations were received from J Pack (2022: J Pack, a trustee, donated £2,470 in cash), shown as donations received in the Statement of Financial Activities. No donations were received subsequent to the period end.