

Report of the Trustees and
Unaudited Financial Statements
for the Year Ended 31 March 2021
for
The Hilary Awdry Charitable Trust

MHA Monahans
Chartered Accountants
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

The Hilary Awdry Charitable Trust

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for the Year Ended 31 March 2021

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The Hilary Awdry Charitable Trust

Report of the Trustees **for the Year Ended 31 March 2021**

The trustees present their report with the financial statements of the trust for the year ended 31 March 2021. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

The trust's objects are stated in wide terms and are the pursuit of charitable purposes which are exclusively charitable according to the law of England and Wales. In practice the trust pursues these objects by making donations to other charitable organisations which fall within its areas of interest. Grants to individuals are not made. The trust's areas of interest are principally cancer research, hospice and palliative care, rescue charities and steam railways. The trustees 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 and settling grant making policies.

GRANT MAKING POLICY

Grants are considered by all trustees on a biannual basis while having regard to the trust's aims and objectives, and investments. When grants are approved, the trustees instruct the Solicitors to organise the making of such grants. Once a grant has been made, the Solicitors liaise with the applicant to confirm receipt and the application of the grant funds. A detailed register of applications, grants and confirmations of receipt is maintained by the Solicitors.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year to 31 March 2021 the trust made donations to other charitable organisations of £39,000. This was considerably less than the previous year (£73,200) due to the particular timings of the trustees' meetings meaning that only one trustees' meeting was held during the year 1 April 2020 to 31 March 2021.

Applications are made in writing or via e-mail and the trustees request that they are limited to one document of not more than four sides of A4 paper. Applications are considered on a case-by-case basis and the trust will consider applications by charitable organisations that it has not previously supported. In principle all applications by charities registered in England and Wales will be considered on their merits in accordance with the trust's areas of interest as outlined in the objectives.

FINANCIAL REVIEW

The trust does not fundraise and its income is comprised wholly of income arising on the trust's investment portfolio which has been funded by gifts of expendable endowment from the trust's founder and her surviving husband, Mr Alf Fortnam. The trust received a further gift of expendable endowment from Mr Fortnam during the year to 31 March 2021 in the sum of £50,000. This has been invested by the trust's Investment Managers.

The trust's Investment Managers have discretionary management over the trust's investment portfolio and are instructed to maximise income return within the constraints of a medium risk portfolio. The trust does not hold investments in armaments, gambling, pornography or tobacco.

The Investment Managers' report for the year to 31 March 2021 shows a satisfactory performance in the current economic climate.

At 31 March 2021, total funds were £4,258,517.

INVESTMENT POLICY AND PERFORMANCE

The trust has an investment policy and the Investment Managers provide written reports reviewing investment performance against the FTSE WMA Stockmarket Income Index.

RESERVES POLICY

The total unrestricted funds carried forward as at 31 March 2021 were £37,975, an increase as against the previous financial year. The trustees aim to return to the level of grants made during the preceding financial year, feeling that the current reserves, together with the expendable endowment fund, are sufficient to meet any unexpected grant application.

PLANS FOR THE FUTURE

The trust plans to continue making grants in line with its objectives.

The Hilary Awdry Charitable Trust

Report of the Trustees **for the Year Ended 31 March 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

The trust is a registered charity number 1138813 and is constituted under a Declaration of Trust dated 21 September 2010. The trust was established by Mrs Hilary Fortnam by an initial gift of expendable endowment funds and continued to receive regular gifts of expendable endowment from Mrs Fortnam until her death in November 2013. The trust was established by Mrs Fortnam in her maiden name in memory of her late father. The trust has received regular gifts of expendable endowment from Mr Alf Fortnam, Mrs Fortnam's surviving husband.

New trustees are appointed by the existing trustees by way of a resolution passed at a special meeting as provided for under the 2010 trust deed. The trust deed provides for a minimum of three trustees at any time. The trustees recruit new trustees having regard to the new trustees' knowledge, skills and previous experience. There is currently no formal induction or training for new trustees, however new trustees are provided with a copy of the trust deed, a copy of the minutes of the last trustees' meeting and a copy of the last year's annual report.

All decisions made by the trustees are via a simple majority as set out in the trust deed.

The trustees hold meetings on a biannual basis to consider strategy, review grant applications and the trust's investments. The day-to-day administration of grants and the processing and handling of applications is carried out by the Solicitors in conjunction with Mr Fortnam.

Trustees are required to disclose all relevant interests in accordance with the trust's Conflict of Interests Policy and to withdraw from any discussions or decisions where a conflict of interests arises or could potentially arise.

No trustee remuneration is paid.

Risk management

The trustees have a duty to identify and review the risks to which the trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The trustees act in accordance with the trust's Risk Management Policy.

The trustees have considered the main risks to which the trust is exposed and consider investment performance to constitute the trust's major risk.

Investment performance is reviewed against benchmarks twice a year at each trustees' meeting. A report from the trust's Investment Managers is requested for consideration at each meeting.

Fundraising

The trust does not carry out any fundraising activities.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1138813

Principal address

Northgate House
Northgate Street
Devizes
Wiltshire
SN10 1JX

Trustees

A J Fortnam
S E Heron
S P Fortnam
R L Barton
A L Wensley Stock

Independent Examiner

Steven Fraser
FCA
MHA Monahans
Chartered Accountants
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

The Hilary Awdry Charitable Trust

Report of the Trustees
for the Year Ended 31 March 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Wansbroughs Solicitors
Northgate House
Northgate Street
Devizes
Wiltshire
SN10 1JX

Investment Managers

Quilter Cheviot Limited
London Road Office Park
London Road
Salisbury
Wiltshire
SP1 3HP

Bankers

Lloyds Bank plc
38 Market Place
Devizes
Wiltshire
SN10 1JD

Approved by order of the board of trustees on 22 December 2021 and signed on its behalf by:

A J Fortnam - Trustee

**Independent Examiner's Report to the Trustees of
The Hilary Awdry Charitable Trust**

Independent examiner's report to the trustees of The Hilary Awdry Charitable Trust

I report to the charity trustees on my examination of the accounts of The Hilary Awdry Charitable Trust ('the Trust') for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity trustees of the Trust 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 Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all 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 Trust 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.

Steven Fraser
FCA
MHA Monahans
Chartered Accountants
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

Date: 10 January 2022

The Hilary Awdry Charitable Trust

Statement of Financial Activities
for the Year Ended 31 March 2021

	Notes	Unrestricted fund £	Endowment fund £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	-	62,500	62,500	240,000
Investment income	4	<u>67,391</u>	<u>-</u>	<u>67,391</u>	<u>85,098</u>
Total		67,391	62,500	129,891	325,098
 EXPENDITURE ON					
Raising funds	5	-	26,213	26,213	24,807
Charitable activities					
Charitable Grants		<u>49,373</u>	<u>-</u>	<u>49,373</u>	<u>88,490</u>
Total		49,373	26,213	75,586	113,297
Net gains/(losses) on investments		<u>-</u>	<u>672,206</u>	<u>672,206</u>	<u>(269,376)</u>
NET INCOME/(EXPENDITURE)		18,018	708,493	726,511	(57,575)
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>19,957</u>	<u>3,512,049</u>	<u>3,532,006</u>	<u>3,589,581</u>
 TOTAL FUNDS CARRIED FORWARD		<u><u>37,975</u></u>	<u><u>4,220,542</u></u>	<u><u>4,258,517</u></u>	<u><u>3,532,006</u></u>

The notes form part of these financial statements

The Hilary Awdry Charitable Trust

Balance Sheet
31 March 2021

	Notes	Unrestricted fund £	Endowment fund £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Investments	10	-	3,939,334	3,939,334	3,345,645
CURRENT ASSETS					
Debtors	11	9,063	12,500	21,563	32,588
Cash at bank		<u>35,376</u>	<u>275,493</u>	<u>310,869</u>	<u>168,660</u>
		44,439	287,993	332,432	201,248
CREDITORS					
Amounts falling due within one year	12	<u>(6,464)</u>	<u>(6,785)</u>	<u>(13,249)</u>	<u>(14,887)</u>
NET CURRENT ASSETS		<u>37,975</u>	<u>281,208</u>	<u>319,183</u>	<u>186,361</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>37,975</u>	<u>4,220,542</u>	<u>4,258,517</u>	<u>3,532,006</u>
NET ASSETS		<u>37,975</u>	<u>4,220,542</u>	<u>4,258,517</u>	<u>3,532,006</u>
FUNDS	13				
Unrestricted funds				37,975	19,957
Endowment funds				<u>4,220,542</u>	<u>3,512,049</u>
TOTAL FUNDS				<u>4,258,517</u>	<u>3,532,006</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 22 December 2021 and were signed on its behalf by:

A L Wensley Stock - Trustee

The Hilary Awdry Charitable Trust

Notes to the Financial Statements **for the Year Ended 31 March 2021**

1. GENERAL INFORMATION

The Hilary Awdry Charitable Trust is an unincorporated charitable trust. The registered office address can be found in the Trustees' Report.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

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 the 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) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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 pound.

There are no significant areas of judgements or key sources of estimation uncertainty.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The charity is an unincorporated trust constituted by a trust deed.

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

The charity does not make multi-year grants and all grants are unconditional.

The Hilary Awdry Charitable Trust

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

2. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised 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 their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Debtors

Other debtors are recognised at the settlement amount due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

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

3. DONATIONS AND LEGACIES

	2021 £	2020 £
Donation - expendable endowment	50,000	192,000
Gift aid	<u>12,500</u>	<u>48,000</u>
	<u><u>62,500</u></u>	<u><u>240,000</u></u>

The Hilary Awdry Charitable Trust

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

4. INVESTMENT INCOME

	2021	2020
	£	£
Dividends and interest	<u>67,391</u>	<u>85,098</u>

5. RAISING FUNDS

Investment management costs

	2021	2020
	£	£
Portfolio management	<u>26,213</u>	<u>24,807</u>

6. GRANTS PAYABLE

	2021	2020
	£	£
Charitable Grants	<u>39,000</u>	<u>73,200</u>

Grants paid to institutions:

	2021
	£
Children's Air Ambulance	1,000
The Nottinghamshire Hospice	1,000
Autism Inclusive	1,000
Child Autism UK	1,000
The Myton Hospices	1,000
Space4Autism	1,000
The Eve Appeal	1,000
Wiltshire Air Ambulance	1,000
The Mary Stevens Hospice	1,000
Havens Hospices	1,000
Climbing Out	1,000
Armonico Consort	1,000
Lucy Air Ambulance for Children	1,000
Orchestra of St John's	1,000
Kirkwood Hospice	1,000
Wallace & Gromit's Children's Foundation	1,000
Penny Brohn UK	1,000
St Michael's Hospice	1,500
St Catherine's Hospice	1,000
Lewis-Manning Hospice Care	1,000
The Freya Foundation	500
Claire House Children's Hospice	1,000
Julia's House	1,000
Hospiscare	1,000
Talyllyn Railway Preservation Society	5,000
The Bluebell Railway Trust	5,000
Dean Forest Railway Society	3,000
West Somerset Railway Association	2,000

39,000

The Hilary Awdry Charitable Trust

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

7. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Charitable Grants	<u>9,053</u>	<u>1,320</u>	<u>10,373</u>

Support costs, included in the above, are as follows:

	2021 Charitable Grants £	2020 Total activities £
Administrative expenses	9,053	10,490
Auditors' remuneration	-	4,800
Accountancy and independent examination	<u>1,320</u>	<u>-</u>
	<u>10,373</u>	<u>15,290</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	-	240,000	240,000
Investment income	<u>85,098</u>	<u>-</u>	<u>85,098</u>
Total	85,098	240,000	325,098
EXPENDITURE ON			
Raising funds	-	24,807	24,807
Charitable activities			
Charitable Grants	<u>88,490</u>	<u>-</u>	<u>88,490</u>
Total	88,490	24,807	113,297
Net gains/(losses) on investments	<u>-</u>	<u>(269,376)</u>	<u>(269,376)</u>
NET INCOME/(EXPENDITURE)	(3,392)	(54,183)	(57,575)
RECONCILIATION OF FUNDS			
Total funds brought forward	23,349	3,566,232	3,589,581
TOTAL FUNDS CARRIED FORWARD	<u>19,957</u>	<u>3,512,049</u>	<u>3,532,006</u>

The Hilary Awdry Charitable Trust

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

10. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2020	3,345,645
Additions	842,209
Disposals	(920,726)
Realised (losses)/gains	<u>672,206</u>
At 31 March 2021	<u>3,939,334</u>
NET BOOK VALUE	
At 31 March 2021	<u>3,939,334</u>
At 31 March 2020	<u>3,345,645</u>

There were no investment assets outside the UK.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets. All investments have been valued by Quilter Cheviot and are based on the Bid price as at the close of business on the valuation date. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. The charity is reliant on dividend yield in part to finance its work.

Liquidity risk is anticipated to be low as all assets are traded. The charity's investments are traded in markets with good liquidity and high trading volumes. The charity has no investment holdings in markets subject to exchange controls or trading restrictions.

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

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other debtor	91	91
Accrued income	<u>21,472</u>	<u>32,497</u>
	<u>21,563</u>	<u>32,588</u>

The Hilary Awdry Charitable Trust

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other creditors	<u>13,249</u>	<u>14,887</u>

13. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	19,957	18,018	37,975
Endowment funds			
Endowment	3,512,049	708,493	4,220,542
TOTAL FUNDS	<u>3,532,006</u>	<u>726,511</u>	<u>4,258,517</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	67,391	(49,373)	-	18,018
Endowment funds				
Endowment	62,500	(26,213)	672,206	708,493
TOTAL FUNDS	<u>129,891</u>	<u>(75,586)</u>	<u>672,206</u>	<u>726,511</u>

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	23,349	(3,392)	19,957
Endowment funds			
Endowment	3,566,232	(54,183)	3,512,049
TOTAL FUNDS	<u>3,589,581</u>	<u>(57,575)</u>	<u>3,532,006</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	85,098	(88,490)	-	(3,392)
Endowment funds				
Endowment	240,000	(24,807)	(269,376)	(54,183)
TOTAL FUNDS	<u>325,098</u>	<u>(113,297)</u>	<u>(269,376)</u>	<u>(57,575)</u>

The Hilary Awdry Charitable Trust

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

14. RELATED PARTY DISCLOSURES

During the year the charity incurred fees of £9,053 (2020 - £10,490) from Wansbroughs Solicitors in respect of administrative services provided to the charity. At the balance sheet date £3,890 was payable and is included in other creditors. Anna Wensley Stock is a trustee of the charity and a partner at Wansbroughs Solicitors.

A donation of an expendable endowment of £50,000 (2020: £192,000) was received from a Trustee.

There were no other related party transactions during the year nor the prior year.