

THE WHITWAM FAMILY CHARITABLE FOUNDATION

FINANCIAL STATEMENTS

**FOR THE YEAR
FROM 6 APRIL 2020 TO 5 APRIL 2021**

Prepared by

Rollits  LLP

CONTENTS

	Page
Trustees' Annual Report	1 - 4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Accounts	8 - 15

TRUSTEES' ANNUAL REPORT

FOR THE YEAR FROM 6 APRIL 2020 TO 5 APRIL 2021

Introduction

The trustees present their report and the accounts of the charity for the year ended 5 April 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" 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 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 published in October 2019.

Objectives and activities

Objects

The object of the charity is to promote any purpose which is charitable according to the law of England with the exclusion of the advancement of religion, principally, but not exclusively for the benefit of such one or more charities or charitable institutions operating in the City of York and the surrounding area, or for such purpose or purposes in the City of York and the surrounding area that are exclusively charitable according to the law of England and in such shares or proportions as the trustees of the charity shall think fit from time to time.

Activities

The principal activity of the charity is to provide financial grants to other charities and charitable objects in York and the surrounding area.

Although the charity may spend both its income and capital on its charitable objects, the trustees also want the charity to maintain and grow its financial resources so that it can continue providing substantial financial support to its objects for the foreseeable future. The ultimate objective is for the charity to provide grants and pay its operating costs from the income and gains generated from its investment portfolio whilst also maintaining and growing the value of the portfolio.

The charity does not have any employees, does not make use of volunteer labour and does not involve itself directly in the provision of any charitable services.

The trustees have delegated the management of the charity's investment portfolio to a professional investment manager with the aim of maintaining a diversified range of holdings capable of generating a resilient level of income and capital growth for funding the charity's current and future activities.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's activities and objectives and in establishing the charity's grant making policy. The trustees are satisfied that the charity's purposes are for the public benefit and the charity's grant making policy is aimed towards fulfilling the public benefit requirements.

Grantmaking policy

The charity aims to support any activity that is recognised as charitable according to the law of England, except for the advancement of religion. It aims to support charities and charitable institutions operating in the City of York and the surrounding area and charitable objects in the City of York and the surrounding area.

Procedures have been put in place to help ensure that any criteria applied to determine the eligibility of grant recipients and to ensure compliance with the charity's objects and the public benefit, are reasonable, justifiable and proportionate.

TRUSTEES' ANNUAL REPORT

FOR THE YEAR FROM 6 APRIL 2020 TO 5 APRIL 2021

Achievements and performance**Achievements**

The charity operates a website and Twitter account to help promote and publicise its activities. In addition, the trustees also draw on their personal contacts, word of mouth support from existing charity contacts and visits to events run by other charities to encourage grant applications from other charities, non-profit groups and individuals that meet its objects.

During the year 13 grant commitments were approved for payment (see note to the accounts). The activities and projects supported included:-

- Support for the "Arts for Wellbeing" project at Foss Park Hospital in York.
- Creating online interactive educational sessions for schools by York Archeological Trust.
- Funding for a helpline and counselling for victims of sexual abuse.
- Funding for a project worker to provide one-to-one support to children in need.
- Contributions to core running costs of several charities to help offset the decline in their funding arising from the Covid-19 pandemic.

Investment performance

The annualised total returns achieved by the charity's investment portfolio, its benchmark index and the FTSE All Share index to 5 April 2021 were as follows:-

	<u>Over 1 Year</u>	<u>Over 3 Years</u>
Charity's portfolio	17.0%	11.1%
Benchmark index	13.0%	17.5%
FTSE All Share index	34.1%	8.5%

The investment manager's report on the performance of the portfolio over the year included the following comments:-

- 2020 will be remembered not only for Covid-19, but also for the fractious US presidential election and the UK's final departure from the EU.
- Economies and stockmarkets around the world were sustained during 2020 by a loosening of monetary policy and an expansion of fiscal policy deployed to counteract the declines in economic activity caused by the Covid-19 pandemic.
- Consumers and investors are pushing governments and companies towards adopting more sustainable, environmentally friendly and socially acceptable policies, such as decarbonising the economy.
- The investment focus for the charity's portfolio is directed towards businesses with strong franchises in growing markets that are able to create wealth through compounding.

Having considered the major events over the last year and the investment manager's review the trustees believe that the performance of the portfolio has been satisfactory.

Financial review**Financial summary**

Below is a summary of the charity's financial results for the year and its financial position at the year end based on the statement of financial activities and balance sheet:-

- Total income for the year reduced by £25,483 to £56,677 (2020: £82,160);
- Total expenditure for the year reduced by £5,378 to £84,871 (2020: £90,249);
- Total income for the year financed 67% of total expenditure (2020: 91% of total expenditure);
- After adding in net gains of £402,932 from investments (2020: net losses of £280,924) the resulting net income for the year amounted to £374,738 (2020: net expenditure of £289,013);
- The market value of the investment portfolio at the year end amounted to £2,959,211 (2020: £2,580,275) which represents an increase of 15% on the previous year end;
- The total net assets of the charity at the year end amounted to £2,948,476 (2020: £2,573,738) which represents an increase of 15% on the previous year end.

TRUSTEES' ANNUAL REPORT

FOR THE YEAR FROM 6 APRIL 2020 TO 5 APRIL 2021

Reserves policy

The trustees do not consider that the charity requires a formal reserve fund as a contingency against unexpected revenue declines in future periods because:-

- the risk of an immediate and substantial revenue decline from a diversified actively managed securities portfolio is considered to be small.
- the trustees review the net cash position of the charity, the performance of the portfolio and their expectations for the future before deciding how much they will make available for grant commitments at each grant meeting.
- the one-off nature of many grant applications mean the trustees will be able to adjust future grant commitment approvals to reflect any unexpected changes in the performance of its investment portfolio or in its operating costs.
- the trustees have the discretion to spend the whole or any part of the capital in order to fulfil the charity's objects if they so wish.

Going Concern

There are no material uncertainties about the charity's ability to continue as a going concern.

Investment policy

The trustees have agreed the following investment terms, objectives and policies with the investment manager:-

- The portfolio is managed under a full discretionary service.
- The portfolio was being managed on a low to medium risk basis with a priority for income generation over capital growth. However due to the decline in dividend payouts by many companies arising from the economic crisis wrought by the Covid-19 pandemic the trustees accepted the investment manager's recommendation in September 2020 to switch the focus of the portfolio to a balanced return between income and capital growth whilst still maintaining its low to medium risk profile.
- The trustees also agreed that the overseas element of the portfolio could switch away from pooled investments to direct equity holdings to benefit more directly from the continued outperformance of the US stockmarket and its technology sector.

The investment strategy is reviewed with the investment manager on a regular basis.

Risk management systems and procedures

The trustees have compiled a register of risks to which the charity is exposed and have introduced systems and procedures to mitigate the risks identified. Dates have also been set for reviewing the adequacy and effectiveness of the risk control systems and procedures adopted.

Structure, governance and management

Type of governing document

The charity's governing document is a Charitable Incorporated Organisation Constitution that was approved by the Charity Commission on 4 October 2013.

How the charity is constituted

The charity is constituted as a Charitable Incorporated Organisation

Trustee selection methods

The existing trustees select new trustees from people known to them that they consider to have suitable knowledge and expertise. Trustees are appointed for indefinite terms, usually upon the retirement of existing trustees.

Policies and procedures for the induction and training of trustees

New trustees are provided with a copy of the Charity Commission publication CC3 "The essential trustee: what you need to know, what you need to do" which provides guidance on what is involved in being a charity trustee. In addition, they are also provided with a copy of the CIO Constitution and the charity's investment policy, conflicts of interest policy and register of risks. New trustees are also asked to sign a declaration of eligibility and to complete a register of interests.

TRUSTEES' ANNUAL REPORT
FOR THE YEAR FROM 6 APRIL 2020 TO 5 APRIL 2021

Organisational structure

The charity has no employees and no formal links with any other charitable organisations. None of the trustees receive any remuneration from the charity for acting as a trustee. Rollits LLP provides a range of operational services to the charity, including trustee, legal, administration, secretarial, grantmaking support, investment support and accounting.

Related party relationships

John Lane is a partner in Rollits LLP, a firm of solicitors that provides services to the charity as detailed above. Rollits fees for these services are separately identified in the notes to the accounts.

The charity maintains a conflicts of interest policy and a conflicts of interest register and has put in place procedures to identify and manage such conflicts.

Reference and administrative details

Charity name: The Whitwam Family Charitable Foundation
Registered charity number: 1154094
Charity's principal address: c/o Rollits LLP Citadel House 58 High Street Hull HU1 1QE

Names of the charity trustees who manage the charity

Andrew Whitwam

Nicola Whitwam

John Lane

The power to appoint new trustees is vested in the current trustees.

Names and addresses of advisers

The charity's principal advisers are:

Investment manager	Investec Wealth & Investment Ltd	2 Gresham Street London EC2V 7QN
Banker	Barclays Bank	One Stanhope Gate Mayfair London W1K 1AF
Independent examiner	Nigel Clemit	JWPCreers LLP Genesis 5 Church Lane Heslington York YO10 5DQ
Solicitor	Rollits LLP	Citadel House 58 High Street Hull HU1 1QE

Future Developments

The trustees are satisfied that the procedures they have put in place to deal with grant applications and operational matters represent an efficient and cost effective way of achieving the charity's objectives. These procedures are reviewed periodically to ensure the charity will continue to deliver on its objects for the foreseeable future.

Declaration

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees by: Andrew Whitwam
Trustee
14 October 2021

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE WHITWAM FAMILY CHARITABLE FOUNDATION

I report to the charity trustees on my examination of the accounts of the charity for the year ended 5 April 2021 which are set out on pages 6 to 15.

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 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 did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts & 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.

Nigel Clemit, ACA, FCCA.

21 October 2021

JWPCreers LLP Chartered Accountants Genesis 5 Church Lane Heslington York YO10 5DQ

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR FROM 6 APRIL 2020 TO 5 APRIL 2021

		<u>Unrestricted funds</u>	
	<u>Note</u>	<u>2021</u>	<u>2020</u>
		£	£
Income			
Investments	3	56,677	82,160
Total		56,677	82,160
Expenditure			
Raising funds	4	21,351	21,205
Charitable activities	5	63,520	69,044
Total		84,871	90,249
Net (expenditure) before investment gains/(losses)		(28,194)	(8,089)
Net gains/(losses) on investments	6	402,932	(280,924)
Net income/(expenditure)		374,738	(289,013)
Net movement in funds		374,738	(289,013)
Reconciliation of funds:			
Total funds brought forward		2,573,738	2,862,751
Total funds carried forward		2,948,476	2,573,738

THE WHITWAM FAMILY CHARITABLE FOUNDATION

BALANCE SHEET

AS AT 5 APRIL 2021

	Note	Unrestricted funds	
		<u>2021</u>	<u>2020</u>
		£	£
Fixed assets			
Investments	7	2,959,211	2,580,275
Total fixed assets		<u>2,959,211</u>	<u>2,580,275</u>
Current assets			
Cash at bank and in hand	8	16,565	3,465
Total current assets		<u>16,565</u>	<u>3,465</u>
Creditors: amounts falling due within one year	9	27,300	10,002
Net current liabilities		<u>(10,735)</u>	<u>(6,537)</u>
Total assets less current liabilities		<u>2,948,476</u>	<u>2,573,738</u>
Total net assets		<u><u>2,948,476</u></u>	<u><u>2,573,738</u></u>
Funds of the charity			
Unrestricted funds	10	2,832,221	2,737,782
Revaluation reserve		116,255	(164,044)
Total funds		<u><u>2,948,476</u></u>	<u><u>2,573,738</u></u>

Signed by one trustee on behalf of all the trustees

Name: Andrew Whitwam
14 October 2021

NOTES TO THE ACCOUNTS

FOR THE YEAR FROM 6 APRIL 2020 TO 5 APRIL 2021

1. General information and basis of preparation

The Whitwam Family Charitable Foundation is a CIO in England. The address of the registered office is given in the charity information on page 4 of these accounts. The nature of the charity's operations and principal activities are the provision of financial grants to other charities and charitable objects in and around the City of York as detailed under 'objects' and 'activities' on page 1 of these accounts.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

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 issued in October 2019 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 presented 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 in note 2 below. These policies have been consistently applied to all years presented unless otherwise stated.

2. Accounting policies

2.1 Income

Recognition of income

These are included in the statement of financial activities (SoFA) when:

- the charity becomes entitled to the income;
- it is more likely than not that the charity will receive the income; and
- the monetary value can be measured with sufficient reliability.

Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

Income from interest and dividends

These are included in the accounts when receipt is probable and the amount receivable can be measured reliably. Income received with recoverable tax credits attached are reported gross under income and any unrecovered tax at the year end is included in debtors. The accrued interest included in the sale and purchase of treasury stocks and corporate bonds is included in investment income in the SoFA on the date of the sale or purchase.

Investment gains and losses

This includes any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

NOTES TO THE ACCOUNTS

FOR THE YEAR FROM 6 APRIL 2020 TO 5 APRIL 2021

2. Accounting policies

(Continued)

2.2 Expenditure & liabilities

Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Allocation of costs to different areas of expenditure

Where possible all costs are allocated to the particular area of expenditure to which they relate. If any costs relate to several areas of expenditure then they are split and allocated to the relevant areas of expenditure on an appropriate basis.

Governance costs

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice (including costs relating to the annual general meeting). These costs are included as a charitable activity support cost in the accounts.

Grant commitments

Where the charity gives a grant commitment without conditions the liability for the full funding obligation is recognised in the SoFA when the commitment is made. However, where the charity gives a grant commitment that is subject to conditions (such as the grantee needing to raise additional funding from other sources, or the object of the grant requires the grantee obtaining planning permission from a local authority) then such grant commitments are only recognised in the SoFA once the trustees believe it is more likely than not that the project will proceed.

Creditors

These liabilities are measured at settlement amounts less any trade discounts.

2.3 Assets

Investments

Fixed asset investments in quoted shares, traded bonds and similar investments are initially valued at cost and subsequently at fair value (their market value) at the year end. The valuation of treasury stocks and corporate bonds exclude the value of accrued interest. Fixed asset investments also include capital type cash balances held for investment or reinvestment by the investment manager.

Debtors

Debtors are measured on initial recognition at settlement amount after any trade discounts or amounts advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

3. Income from investments

	<u>2021</u>	<u>2020</u>
	£	£
Income from stocks & shares held in the investment portfolio	56,677	81,989
Interest from cash balances held by the investment manager	-	171
	<u>56,677</u>	<u>82,160</u>

NOTES TO THE ACCOUNTS

FOR THE YEAR FROM 6 APRIL 2020 TO 5 APRIL 2021

4. Expenditure on raising funds	<u>2021</u>	<u>2020</u>
	£	£
Investment manager's fees and charges	21,021	21,035
Rollits' investment support fees	330	170
	<u>21,351</u>	<u>21,205</u>

Rollits' investment support fees relate to work undertaken to monitor the portfolio and to correspond with the investment manager and trustees with regard to the management of the portfolio and related compliance and regulatory matters.

5. Expenditure on charitable activities	<u>2021</u>	<u>2020</u>
	£	£
Grants to institutions	51,400	56,535
Grantmaking support costs	2,830	1,780
Governance costs	9,290	10,729
	<u>63,520</u>	<u>69,044</u>
Number of grants	<u>13</u>	<u>14</u>

5.1 Classification of grants	<u>2021</u>	<u>2020</u>
	£	£
<u>Grants to institutions</u>		
Advancement of education	5,000	14,648
Advancement of health & saving of lives	22,000	15,647
Advancement of the arts, culture, heritage and science	2,500	-
Promotion of human rights and religious and racial harmony	500	5,000
Relief of those in need due to age, disability, etc.	18,200	21,240
Promotion of the armed forces and emergency services	3,200	-
	<u>51,400</u>	<u>56,535</u>

NOTES TO THE ACCOUNTS

FOR THE YEAR FROM 6 APRIL 2020 TO 5 APRIL 2021

5.2 Material grants to institutions

2021

£

<u>Name of institution</u>	<u>Purpose of grant</u>	
Tees, Esk & Wear Valleys NHS Trust	Supporting "Arts for Wellbeing" project at Foss Park Hospital	7,000
Railway Children	Funding a project worker providing support to children in need	5,700
York Archaeological Trust	Creating online interactive educational sessions for schools	5,000
Survive	Funding a helpline providing counselling to victims of sexual trauma	5,000
Macmillan Cancer Support	Contributing to general running costs in the Yorkshire area	5,000
Musical Connections	Contributing to core running costs supporting community music groups	5,000
Safe and Sound Homes	Contribution to general running costs	5,000
110 City of York Squadron	To build a new flight simulator for authentic flying training	3,200
		<hr/>
		40,900
Other unanalysed grants to institutions		10,500
		<hr/>
		51,400
		<hr/>

5.3 Analysis of grantmaking support costs

2021

£

2020

£

Rollits' grantmaking support fees	2,830	1,780
	<hr/>	<hr/>
	2,830	1,780
	<hr/>	<hr/>

Rollits' grantmaking support fees represent work done in relation to the charity's grantmaking policy and grant application form, correspondence and meetings with actual and potential grant applicants, the review and processing of grant applications, preparing agreements or letters regarding any terms and conditions applicable to each grant and arranging payment of successful applications.

5.4 Analysis of governance costs

2021

£

2020

£

Independent examiner's fees	1,350	1,290
Rollits' accounting fees	3,900	3,900
Rollits' administration fees	4,040	5,539
	<hr/>	<hr/>
	9,290	10,729
	<hr/>	<hr/>

Rollits' administration fees represent work on legal and regulatory matters relating to the Foundation's charitable status, trustees meetings and any other administration matters not identified as investment support, grantmaking support or part of its accounting service.

NOTES TO THE ACCOUNTS

FOR THE YEAR FROM 6 APRIL 2020 TO 5 APRIL 2021

5.5 Fees for examination of the accounts	<u>2021</u>	<u>2020</u>
	£	£
Independent examiner's fees for reporting on the accounts (gross)	1,350	1,290
	<u>1,350</u>	<u>1,290</u>

6. Net gains and losses on investments	<u>2021</u>	<u>2020</u>
	£	£
Gains realised during the year	262,663	31,543
Gains and (losses) on revaluation at the year end	140,269	(312,467)
Total net investment gains and (losses) per the SoFA	<u>402,932</u>	<u>(280,924)</u>

7. Investments

7.1 Valuation of investments at year end	<u>Fair value</u>	<u>Fair value</u>
	<u>2021</u>	<u>2020</u>
	£	£
Cash or cash equivalents	232,791	209,473
Listed investments	2,726,420	2,370,802
Total	<u>2,959,211</u>	<u>2,580,275</u>

All investments are revalued to market value (fair value) at the year end. No investments are held at cost less impairment at the year end.

7.2 Historic cost of investments held at the year end	<u>2021</u>	<u>2020</u>
	£	£
Listed investments	2,610,165	2,534,846
Cash held for reinvestment	232,791	209,473
	<u>2,842,956</u>	<u>2,744,319</u>

NOTES TO THE ACCOUNTS

FOR THE YEAR FROM 6 APRIL 2020 TO 5 APRIL 2021

7.3	Investment movements during the year	Cash & cash equivalents	Listed investments	Total 2021	Total 2020
		£	£	£	£
	Market value at beginning of year	209,473	2,370,802	2,580,275	2,870,302
	Add: additions to investments during the year	-	2,568,736	2,568,736	966,551
	Less: disposals at carrying value during the year	-	(2,353,387)	(2,353,387)	(1,081,411)
	Add/(deduct): movements due to changes in listed investments	53,921	-	53,921	153,867
	Add/(deduct): transfers in/(out) in the year	(30,603)	-	(30,603)	(16,567)
	Add/(deduct): net gain/(loss) on revaluation	-	140,269	140,269	(312,467)
	Market value at end of year	232,791	2,726,420	2,959,211	2,580,275

7.4	Material holdings of investments at 5 April 2021	Market value	Share of total
		£	%
	<u>Individual holdings >5% of total listed investments</u>		
	iShares UK Gilts 0-5 Years Ucits ETF	256,397	9.40%
	Royal London Sterling Credit Fund	144,632	5.30%
	Invesco Corporate Bond Fund (UK)	142,799	5.24%
	iShares GBP Corporate Bond 0-5 Years Ucits ETF	137,366	5.04%
		681,194	24.98%

8.	Cash at bank	2021	2020
		£	£
	Barclays current account	16,565	3,465
		16,565	3,465

9.	Creditors and accruals	2021	2020
		£	£
	<u>Amounts falling due within one year</u>		
	Grant commitments	15,000	-
	Independent examiner's fee	1,350	1,320
	Rollits' fees	5,700	3,780
	Investment manager's fees	5,250	4,902
		27,300	10,002

NOTES TO THE ACCOUNTS

FOR THE YEAR FROM 6 APRIL 2020 TO 5 APRIL 2021

10. Unrestricted funds		<u>2021</u>	<u>2020</u>
		£	£
<u>Designated funds</u>			
Grant commitment	Project go-ahead is not yet known	5,000	-
		<hr/>	<hr/>
		5,000	-
Undesignated funds		2,827,221	2,737,782
		<hr/>	<hr/>
Total unrestricted funds		<u>2,832,221</u>	<u>2,737,782</u>

Part of the unrestricted funds of the charity shown in the balance sheet have been designated to cover the contingent liability shown in note 11 of these accounts.

11. Contingent liabilities and contingent assets		<u>Estimate of financial effect</u>	
		<u>2021</u>	<u>2020</u>
		£	£
<u>Contingent liabilities</u>			
Grant commitment given subject to conditions		5,000	-
		<hr/>	<hr/>
		5,000	-
		<hr/>	<hr/>

The charity offered a grant to The Joseph Rowntree Theatre for its "Raise the Roof" project. The grant offer is conditional on the grantee obtaining planning permission for the project and raising the balance of funds needed for the project from other sources.

The charity did not have any contingent assets at the reporting date.

12. Fair value of assets and liabilities

Exposure to liquidity risk

The liquidity risk exposure of the charity not being able to meet short term financial demands is mitigated by the trustees reviewing the up to date financial position at the same meetings at which they review and approve any further grant commitments.

Exposure to credit risk

The charity did not have any debtors at the year end and the income generated from the investment portfolio is retained by the investment manager for reinvestment. The risk of loss arising from these cash balances before they are reinvested is considered low because the investment manager is a regulated institution that is required to hold such cash balances in a segregated client money account.

Exposure to market risk

Investments represent the majority of the charity's net assets. The risk of a financial loss arising from an investment due to changes in the market are mitigated by the active management of the investment portfolio by a professional investment manager and the diversification of the investment portfolio based on an investment policy approved by the trustees.

Changes in fair values of debtors, creditors & investments due to credit risk

There have been no changes in the fair values of basic financial instruments (debtors, creditors and investments) attributable to changes in credit risk.

NOTES TO THE ACCOUNTS

FOR THE YEAR FROM 6 APRIL 2020 TO 5 APRIL 2021

13. Trustee remuneration and benefits

None of the trustees have been paid any remuneration or received any other benefits from an employment with the charity or a related entity during the year (2020: none).

14. Transactions with related parties

<u>Name of trustee or related party</u>	<u>Relationship to charity</u>	<u>Description of the transactions</u>	<u>Amount</u>	<u>Balance at</u>	<u>Amount</u>	<u>Balance at</u>
			<u>2021</u>	<u>period end</u>	<u>2020</u>	<u>period end</u>
			£	£	£	£
Rollits LLP	See below	Rollits services	11,100	5,700	11,389	3,780
			<u>11,100</u>	<u>5,700</u>	<u>11,389</u>	<u>3,780</u>

John Lane is a member of Rollits LLP which provides secretarial, administration, legal, investment support, grantmaking support and accounting services to the charity. The payments by the charity of Rollits' charges are authorised by the charity's constitution. A breakdown of Rollits' charges for these services are detailed in the notes to the accounts.

Rollits aims to invoice the charity on a quarterly basis for its services. The invoices are payable on delivery and the charity settles them by cash payments once they have been authorised in accordance with the procedure agreed by the trustees.

The Terms and Conditions of Rollits LLP's remuneration for providing administrative services to the charity are independently reviewed and approved by the un-conflicted trustees in the absence of John Lane, and in accordance with the charity's Conflicts of Interest Policy.