

**HOLLYHOCK CHARITABLE FOUNDATION**

**(Registered Charity No. 1186232 and Company No. CE019508)**

**ANNUAL REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**HOLLYHOCK CHARITABLE FOUNDATION**  
**ANNUAL REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**HOLLYHOCK CHARITABLE FOUNDATION**  
**ANNUAL REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

The Trustees present their report and the independently audited financial statements of the Hollyhock Charitable Foundation ("the Foundation" or "the CIO"), for the year ended 31 December 2022. These have been prepared in accordance with the accounting policies set out on pages 14 to 16 and comply with applicable charity law.

**1. REFERENCE AND ADMINISTRATIVE DETAILS**

Hollyhock Charitable Foundation, (Registered Charity Number 1186232 and Company Number CE019508) is based and administered in the United Kingdom. The registered address is Eighth Floor, 6 New Street Square, London, EC4A 3AQ.

**Trustees:**

The Trustees of the Foundation who held office during the period and continue to serve at the date of this report are:

- Berta Burguera
- Simon Brooks
- Simon Peck
- Rupert Elwes
- Simon Jeffries

The Trustees did not hold any beneficial interest in the Foundation at 31 December 2022 or at any time during or since the accounting period.

**Bankers:**

C Hoare & Co  
 37 Fleet Street, London, EC4P 4DQ

**Investment Managers:**

Rothschild Asset Management  
 New Court, St Swithin's Lane, London EC4N 8AL

Sarasin & Partners LLP  
 100 St. Paul's Churchyard, London EC4M 8BU

Waverton Investments Ltd  
 16 Babmaes St, St. James's, London SW1Y 6AH

**Solicitors:**

Ince Gordon Dadds LLP  
 Aldgate Tower, 2 Leman Street, London E1 8QN

**Accountants:**

Rawlinson & Hunter LLP  
 Eighth Floor, 6 New Street Square, New Fetter Lane, London, EC4A 3AQ

**Independent Auditor:**

Azets Audit Services Limited  
 Ashcombe Court, Woolsack Way, Godalming, Surrey, GU7 1LQ

**Website:**

<https://hollyhockfoundation.co.uk/>

**HOLLYHOCK CHARITABLE FOUNDATION**  
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**2. STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Foundation is a charitable incorporated organisation governed by its Constitution dated 8 November 2019 and is registered as a charity with the Charity Commission for England and Wales.

The majority of Trustees are resident in the United Kingdom and meet regularly to discuss and develop the Foundation's goals and strategy and to review grant proposals and general grant requests.

The number of Trustees shall be a minimum of three and a maximum of six at any one time and new Trustees shall be appointed by ordinary resolution by the existing Trustees. The range of skills represented on the Trustee Board will be kept under review as the Foundation develops over time.

The Trustees delegate the day to day running of the Foundation to Rawlinson & Hunter LLP.

**Induction and Training**

As part of their training, Trustees are given an information pack which includes the Foundation's Constitution and the Charity Commission guidance on Trustees' Responsibilities. All Trustees are aware of their legal duties and obligations in respect of the management of the Foundation, including in relation to the protection of its assets.

**Statement of Trustees' Responsibilities**

The Trustees are responsible for preparing the Annual Report of the Trustees 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 state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure of the Foundation for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011 and where applicable, the Charities Act 2022, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Foundation's Constitution. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Foundation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**HOLLYHOCK CHARITABLE FOUNDATION**  
**ANNUAL REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Internal Controls**

The Trustees have overall responsibility for ensuring that the Foundation has appropriate systems of internal controls. They are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements follow best practice and all applicable law, regulation and guidance. The Trustees are also responsible for the Foundation safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The system of internal controls is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

**Risk Management & Corporate Governance**

A risk assessment has been undertaken which comprises:

- An annual review of the risks the Foundation may face;
- The establishment of systems and procedures to mitigate those risks; and
- The implementation of procedures designed to minimise any potential impact on the Foundation should those risks materialise.

This continuing process will identify risk areas to which the Foundation is vulnerable and highlight any necessary safeguards that will need to be put in place. No major risks were identified at the date of these financial statements.

The Trustees have signed fit and proper declarations in line with HMRC guidance.

In addition, the Trustees have taken due consideration of Good Governance – A Code for the Voluntary and Community Sector, ensuring that the seven main principles of the Code are adhered to. These are:

- Organisational purpose;
- Leadership;
- Integrity;
- Decision-making, risk and control;
- Board effectiveness;
- Equality, diversity and inclusion; and
- Openness and accessibility.

The Trustees recognise that good governance plays an essential part in securing the future of the Foundation and confirm that the said main principles of the Code are followed by them in leading, directing and managing the Foundation.

No Trustee received any remuneration during the year ended 31 December 2022.

The Foundation does not carry out fundraising activities. All fundraising costs relate to the management of their investment assets.

**HOLLYHOCK CHARITABLE FOUNDATION**  
**ANNUAL REPORT OF THE TRUSTEES**  
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**3. OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT**

The objects of the Foundation are restricted specifically to the application of CIO funds, at such time or times and in such manner, for the public benefit, as the Foundation Trustees may in their discretion think fit for any exclusively charitable purposes in any part of the world. The Foundation operates as a grant-making charity, supporting charitable projects and organisations with grants of varying sizes and durations.

The Trustees have defined a programme of grant-making to charities. For the foreseeable future, the Foundation's primary focus will be to:

- prevent or relieve poverty worldwide for individuals in need;
- advance the health and wellbeing of the general public (including preventing or relieving sickness, disease or suffering, as well as the promotion of good health);
- support programmes which promote and advance the education of the general public; and
- promote and support Christianity for the benefit of the general public.

The Trustees have pursued a broad strategy of ensuring proper due diligence in the assessment of potential grants and ensuring that grants are made subject to appropriate terms and conditions.

**Statement of Public Benefit**

As a grant-funder, the Foundation's activities will provide public benefit to the individuals and communities who are beneficiaries of the Foundation's funded projects. The Foundation's public benefit is not limited with reference to geography, by the charging of fees or otherwise. The Trustees are aware of the Charity Commission guidance on Public Benefit and confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to it. They consider the information which follows in this annual report, about the Foundation's aims, activities and achievements in the areas of interest that the Foundation supports, demonstrates the benefit to its beneficiaries and through them to the public, that arise from those activities.

**Grant Making Policies**

The Trustees' grant making policy has been to generally consider making donations by way of direct funding and also by way of grants to charitable organisations recognised as such in their respective jurisdictions for projects that are exclusively charitable under English law. The Foundation has begun to put in place sound grant arrangements so that it can properly select appropriate grantees and impose prudent terms on grants, including, as appropriate, monitoring and evaluation of the way in which funds are applied by grantees.

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**4. ACHIEVEMENT AND PERFORMANCE**

**Charitable Activities**

The Foundation has continued to work in a world that is ever changing; the conflict in Ukraine, increases in cost of living and the ongoing backlash from the pandemic. All these factors have created great demand on the Foundation and, as in previous years, it has met that challenge.

Whilst Charitable giving is always at the forefront of this report, 2022 was a watershed year for the Foundation. Over the past three years the Foundation has been reliant on the generosity of its donor. In 2022 that donor decided to close its doors and, at the same time, donate three investment portfolios totalling nearly £26 million. This has made an enormous difference and allowed us to start considering annuities to several charities, alongside a large number of individual grants.

The Foundation's objects have not changed, with its four key pillars being Poverty, Health and Wellbeing, Education and Christianity.

**Poverty**

This accounted for £712,817 in donations. The foundation continued to help Shelter and CRISIS with further amounts of £100,000. It also made a three-year commitment to FareShare of £200,000 per year, with the first amount paid in 2022.

As in 2021 numerous smaller grants were made to small charities.

**Health and Wellbeing**

Not surprisingly, this made up a higher proportion of donations than in 2022, with donations totalling £1,340,077. The reason for this was twofold, as the fall-out from the pandemic and increases in cost of living both caught up with society, which enhanced mental health problems. In this instance, there are no large donations to highlight, and we are more inclined to note that this amount was distributed over 25 different charities.

**Education**

This was an area that only made up £165,870 of grants in 2022. This included £50,000 to help send GB's team to the Special Olympics.

It is also worth mentioning here that the first episode of Mixmups which was referenced in 2021, will be broadcast on 4 November 2023. We are delighted to have helped bring this to its conclusion with the large grant made last year.

**Christianity**

Due to the fact that we still have a large commitment to the restaurant in Magdala (see 2021 report) there was only one small donation of £18,000 in this area in 2022.

The project in Magdala will continue to take most of this area of donations as the restaurant project re starts this Autumn after a revision to costs.

**Overall**

The Trustees are delighted to now have a fund to allow us to benefit small and large charities in all four areas of our objects for some time into the future.

**HOLLYHOCK CHARITABLE FOUNDATION**  
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**5. FINANCIAL REVIEW**

The Statement of Financial Activities on page 11 shows total incoming resources for the period of £26,673,826 (2021: £3,850,000). £28,152 was expended on the management of investment portfolios (2021: £nil) and grant expenditure amounted to £2,236,764 (2021: £2,642,348). Support costs amounted to £33,301 (2021: £25,960) and are included within charitable activities.

The principal funding for the Foundation came by way of voluntary donations from an unconnected third party and there were no restrictions attached to these. The funding has allowed the Foundation to operate and award 39 grants to 37 organisations totalling £2,236,764 (2021: £2,642,348 comprising 29 grants to 26 organisation) which has in turn benefitted countless thousands.

The balance of reserves at 31 December 2022 is £26,002,647 (2021: £1,240,377) and all funds are unrestricted.

**Investment policy and performance**

The investment objective is to generate over the long term a total return per annum above inflation, before grant making & expenditure, (as measured by CPI+3.5%) while providing adequate liquidity for annual grant making & expenditures. At current or even higher grant making levels, this approach should allow the Charity at least to maintain the value of its assets whilst keeping to the expected spend down schedule.

The Charity relies on the investment portfolios to fund its grant making. The key risk to the long-term sustainability of the Charity is inflation, over and above the spend-down schedule, and so the assets should be invested to mitigate this risk over the long term. The trustees understand that this is likely to mean that investment will be concentrated in real assets and that the capital value will fluctuate.

The trustees are able to tolerate volatility of the capital value of the Charity, consistent with the investment objectives, as long as it is able to meet its ongoing grant making commitments through either income or liquidating capital assets.

The Charity's assets can be invested widely and asset classes can include cash, bonds, equities and property, and any other asset that is deemed suitable for the Charity. The portfolio should be diversified and invested in line with the Ethical Restrictions.

Given the geographic area in which the Charity operates and their attitude to risk the Trustees request that any investment manager build a portfolio in line with the following guidelines:

- A neutral equity weighting of 70% of the portfolio; and
- Sterling reporting mandates with a minimum of 50% held in sterling assets.

The Trustees are satisfied with the performance of their investment portfolios since they were gifted the investments, which produced income during the year of £53,396 and capital appreciation of £124,178. The Trustees monitor performance of the underlying investments and managers on a regular basis, through face to face reviews, investment reports and comparisons to peer groups and appropriate indices.



**HOLLYHOCK CHARITABLE FOUNDATION**  
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**FOR THE YEAR ENDED 31 DECEMBER 2022**

**5. FINANCIAL REVIEW** (continued)

**Reserves Policy**

The Trustees have examined the Foundation's requirement for resources in light of the main risks to the organisation and have no outstanding commitments or cash demands which are not adequately covered by existing resources. The net assets of the Foundation are regarded as free reserves and the funds at 31 December 2022 will be retained to make grants in accordance with the Foundation's charitable objects and policies. The Trustees consider that the freely expendable funds are appropriate and adequate taking into account plans for grants to be awarded in future and have at present therefore not designated any specific reserves. However, the Trustees will keep this under constant review. In future years, a specific reserves policy may be required.

The ongoing conflict in Ukraine and the resulting high energy costs and other cost inflating factors have affected the global economy. Having considered the contingency plans in place and having reviewed updated cashflow forecasts, the Trustees consider the adoption of the going concern basis in preparing these financial statements continues to be appropriate.

**6. PLANS FOR THE FUTURE**

The Trustees do not propose to deviate from the current objectives and activities of the Foundation as detailed in Section 3 of this report but will further develop and refine their strategies, policies and procedures in future.

**Approved by the trustees and signed  
on their behalf by:**



Trustee *Simon Brooks*

*24/10/2023*

Date

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE TRUSTEES OF**  
**HOLLYHOCK CHARITABLE FOUNDATION**

**Opinion**

We have audited the financial statements of the Hollyhock Charitable Foundation (the 'Foundation' or 'the CIO') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Foundation's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT (continued)

### TO THE TRUSTEES OF

### HOLLYHOCK CHARITABLE FOUNDATION

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

**INDEPENDENT AUDITOR'S REPORT (continued)**  
**TO THE TRUSTEES OF**  
**HOLLYHOCK CHARITABLE FOUNDATION**

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**Use of our report**

This report is made solely to the Foundation's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Foundation's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Foundation and the Foundation's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Alex Temlett (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services Limited**  
 Statutory Auditor  
 Ashcombe Court  
 Woolsack Way  
 Godalming  
 Surrey  
 GU7 1LQ  
 Date: 24 October 2023

Azets Audit Services Limited is eligible to act as an auditor in accordance with Section 1212 of the Companies Act 2006.

**HOLLYHOCK CHARITABLE FOUNDATION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED TO 31 DECEMBER 2022**

	Page	2022 £	2021 £
<b>Income from:</b>			
Donations (note 2)	17	26,619,496	3,850,000
Investments (note 3)		54,330	-
<b>Total Income</b>		<u>26,673,826</u>	<u>3,850,000</u>
<b>Expenditure on:</b>			
Charitable Activities (note 4)	19	2,270,065	2,668,308
Raising funds (note 5)	19	28,152	-
<b>Total Expenditure</b>		<u>2,298,217</u>	<u>2,668,308</u>
<b>Net income before other recognised gains</b>		24,375,609	1,181,692
Gains on investment assets (note 6)	19	124,178	-
<b>Net income</b>		<u>24,499,787</u>	<u>1,181,692</u>
<b>Other gains/(losses)</b>			
Net gains/(losses) on currency exchange		262,483	(30)
<b>Net movement in funds</b>		<u>24,762,270</u>	<u>1,181,662</u>
Total Funds Brought Forward at 1 January 2022		1,240,377	58,715
<b>Total Funds Carried Forward at 31 December 2022</b>		<u><u>£26,002,647</u></u>	<u><u>£ 1,240,377</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for the year ended 31 December 2022 other than those included in the Income and Expenditure Account.

No Trustee received any remuneration or reimbursement of expenses during the year ended 31 December 2022.

# HOLLYHOCK CHARITABLE FOUNDATION

(Registered Charity No. 1186232 and Company No. CE019508)

## BALANCE SHEET

AS AT 31 DECEMBER 2022

	Page	2022 £	2021 £
<b>Fixed Assets:</b>			
Investments and cash under management (note 6)	19	25,748,474	-
<b>Current Assets:</b>			
Debtors (note 7)	20	52,297	-
Cash at bank (note 8)	20	381,081	2,585,424
<b>Total Current Assets</b>		433,378	2,585,424
<b>Liabilities</b>			
Creditors - amounts falling due within one year (note 9)	20	(179,205)	(1,345,047)
<b>Total Liabilities</b>		(179,205)	(1,345,047)
<b>Net current assets</b>		254,173	1,240,377
<b>Total assets less current liabilities</b>		£26,002,647	£1,240,377
<b>The funds of the charity:</b>			
Unrestricted funds		26,002,647	1,240,377
<b>Total charity funds</b>		£26,002,647	£ 1,240,377

The financial statements were approved and authorised for issue by the Trustees and were signed on their behalf by:



Trustee

Simon Brooks

24/10/2023

Date

**HOLLYHOCK CHARITABLE FOUNDATION**

(Registered Charity No. 1186232 and Company No. CE019508)

**STATEMENT OF CASHFLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Page	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net movement in funds for the year	11	24,499,787	1,181,992
Adjustments for:			
Income from investments and deposits		(54,330)	-
Net gain on investment assets		(124,178)	-
(Increase)/decrease in debtors		(52,297)	-
(Decrease)/increase in creditors		(1,165,842)	1,170,854
Portfolios donated in specie		(23,067,132)	-
<b>Net cash provided by operating activities</b>		<u>36,008</u>	<u>2,352,546</u>
<b>Cash flows from investing activities</b>			
Income from investments		48,162	-
Deposit interest		6,168	-
Acquisition of investments		(7,740,273)	-
Receipts from sales of investments		7,294,191	-
<b>Net cash (used in) by investing activities</b>		<u>(391,752)</u>	<u>-</u>
<b>Net change in cash and cash equivalents for the year</b>		(355,744)	2,352,546
Cash and cash equivalents at 1 January 2022		2,585,424	232,908
Gain/(loss) on foreign currency		262,483	(30)
<b>Cash and cash equivalents at 31 December 2022</b>		<u>£ 2,492,163</u>	<u>£ 2,585,424</u>
<b>Cash and cash equivalents consist of:</b>			
Cash held with investment managers (note 6)	19	2,111,082	-
Cash held at bank (note 8)	20	381,081	2,585,424
		<u>£ 2,492,163</u>	<u>£ 2,585,424</u>

**HOLLYHOCK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDNG 31 DECEMBER 2022**

**1. ACCOUNTING POLICIES**

**Basis of Preparation of Financial Statements**

The Hollyhock Charitable Foundation ("the Foundation" or "the CIO"), registered charity number 1186232, is based and administered in the United Kingdom. The registered address is Eighth Floor, 6 New Street Square, London, EC4A 3AQ. The nature of the Foundation's operations and principal activities are set out in the Trustees' Annual Report.

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 (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and where applicable, the Charities Act 2022, 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 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 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 Foundation constitutes a public benefit entity as defined by Charities SORP FRS 102.

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. 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. The nature of estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

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.

**Incoming Resources**

All incoming resources are included in the SOFA when the Trust is entitled to the income and the amount can be quantified with reasonable accuracy.

Voluntary donations include donations under Gift Aid with the associated tax credits included when receivable. Interest from deposit accounts are included when received.

Investment income is derived from interest and dividends receivable from investments and is accounted for in the period in which the Foundation is entitled to receipt. Interest from bank accounts are included when receivable only.



**HOLLYHOCK CHARITABLE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**Resources Expended**

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation committing the Trustees to the expenditure. It is categorised under the following headings:

- Support Costs - consists of advertising, marketing and direct mail materials, including publicity costs not associated with educational material designed wholly or mainly to further the charitable company's purposes. Support costs are those that assist the work of the Foundation but do not directly represent charitable activities and include office costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charitable company.
- Charitable activities comprise grants and donations made during the period and are expended through the Statement of Financial Activities when the offer is conveyed to the recipient.

**Grants payable**

Grants payable are made to third parties in furtherance of the Foundation's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the Foundation.

**Financial instruments**

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

**Fixed Asset Investments**

Quoted investments are included at closing mid-market value at the Balance Sheet date. Realised gains and losses on investments are recognised on disposal on investments and any gain or loss on revaluation is taken to the Statement of Financial Activities (SOFA). The determination of any gains and losses is calculated by reference to the value of such assets at the beginning of the accounting period.

Mid-market values are provided by independent data feed rather than investment manager valuations.

Cash held for investment is included within the Fixed Assets Investments in accordance with the applicable statement of Recommended Practice.

**Status of funds**

The entire resources of the Foundation are unrestricted and the Trustees have complete discretion for their use in pursuance of the Foundation's objectives.

**Foreign currency**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date. Transactions denominated in foreign currencies are converted at the rate of exchange ruling at the date of the transaction. All translation differences are taken to the statement of financial activities as they arise.

**HOLLYHOCK CHARITABLE FOUNDATION**  
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**Taxation**

The Foundation is not subject to any taxes on its charitable activities. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**Creditors payable within one year**

Creditors with no stated interest rate and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised as expenditure.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are included within borrowing in current liabilities.

**Provisions**

Provisions are recognised when the Foundation has an obligation at the Balance Sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

**Tangible Fixed Assets**

Tangible fixed assets are included at their cost value and depreciated using the straight line method over 5 years.

**Going concern**

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for twelve months from the date of signing of these financial statements. The forecast income and reserves are sufficient to cover all of the budgeted expenditure to be able to continue as a going concern.

The current ongoing conflict in Ukraine and the resulting high energy costs and other cost inflating factors have affected the global economy. Having considered the contingency plans in place and having reviewed updated cashflow forecasts, the Trustees consider the adoption of the going concern basis in preparing these financial statements continues to be appropriate.

**HOLLYHOCK CHARITABLE FOUNDATION**  
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	Page	2022 £	2021 £
<b>2. INCOME FROM DONATIONS</b>			
Investment portfolios and cash under management donated in specie		25,869,496	-
Cash donations received		750,000	3,850,000
	11	<u>£ 26,619,496</u>	<u>£ 3,850,000</u>
<b>3. INCOME FROM INVESTMENTS</b>			
Sarasin & Partners LLP		14,945	-
Rothschild Asset Management		16,905	-
Waverton Investments Limited		21,546	-
Bank Interest		934	-
		<u>£ 54,330</u>	<u>£ -</u>
<b>4. EXPENDITURE ON CHARITABLE ACTIVITIES</b>		£	£
<b>Grants payable:</b>	<b>Charity No.</b>		
Fareshare	1100051	200,000	-
Jessie May Trust	1086048	128,509	-
Breast Cancer Now	1160558	100,000	150,000
Shelter	263710	100,000	100,000
CRISIS	1082947	100,000	100,000
Greggs Foundation	296590	100,000	-
Mercy Corps	SC030289	100,000	-
Make a Wish	295672	100,000	-
Children's Hospice Southwest	1003314	90,627	-
RNID	207720	87,905	-
Young Minds Trust	1016968	81,568	-
Claire House Children's Hospice	1004058	72,964	-
Little Village	169735	62,297	30,000
Centrepont Soho	292411	61,550	45,201
Future Hope (U.K)	1157547	50,060	50,000
Beis Brucha	1131109	53,000	-
Sense	289868	50,000	18,000
MAD Foundation	1111805	50,000	-
Special Olympics GB	800329	50,000	-
Carers UK	246329	50,000	-
Our Special Friends	1156778	39,190	-
Children on the Edge	1101441	30,147	-
Harrisons Fund Limited	1146662	22,500	-
Luminary	1181835	45,999	-
Luminary	1181835	45,999	-

**HOLLYHOCK CHARITABLE FOUNDATION**  
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4. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)		2022 £	2021 £
	Charity No.		
Kidscape	326864	45,723	-
WeSee Education		40,000	14,147
Sense International	1076497	36,302	-
Jedidiah UK	1190382	31,260	32,361
Multiple System Atrophy Trust	1137652	30,500	-
Sense	289868	30,000	9,071
The Brain Tumour Charity	1150054	30,000	-
Wave Project	1163421	25,000	-
Grief Encounter	1175837	24,121	-
21 & Co	1149464	21,085	-
Dame Vera Lynn Children's Charity	1089657	19,808	18,560
The Message Trust	3961183	18,000	-
Hotline Meals	1066575	7,650	-
Royal Marine Charity	1134205	5,000	-
Toy Like Me	10778527	-	1,100,000
New Gate to Peace Foundation	EIN 55-0907295	-	367,728
YoungMinds Trust	1016968	-	100,000
Music and the Deaf	1000025	-	65,000
Westminster Roman Catholic Diocese	233699	-	61,408
CAFOD	1160384	-	50,683
Koala North West	1139517	-	50,000
Refuge UK	277424	-	50,000
Magic Breakfast	1102510	-	50,000
Same You	1170102	-	42,627
CW+	1169897	-	39,900
Jedidiah UK	1190382	-	23,935
Embracing Age	1160400	-	22,500
Toy Like Me	10778527	-	20,000
Mission Aviation Fellowship	1064598	-	11,000
MicroLoan Foundation	1104287	-	10,000
Mission Without Borders	270659	-	5,227
KidsOut	1075789	-	5,000
<b>Total Grants payable</b>		<b>2,236,764</b>	<b>2,642,348</b>
<b>Support Costs:</b>			
Bank charges		421	400
<b>Total Support costs</b>		<b>421</b>	<b>400</b>

**HOLLYHOCK CHARITABLE FOUNDATION**  
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4. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)	Page	2022 £	2021 £
<b>Governance Costs:</b>			
Accountancy fees		24,120	19,200
Audit fees		8,760	6,360
<b>Total Governance costs:</b>		<u>32,880</u>	<u>25,560</u>
<b>Total Charitable Activities:</b>	11	<u>£ 2,270,065</u>	<u>£ 2,360,278</u>

Auditor remuneration in respect of their audit of the Financial Statements for the period to 31 December 2022 totalled £7,250 excluding VAT (2021: £5,250 excluding VAT).

The Foundation had no employees during the years ended 31 December 2021 and 2022.

No Trustee received any remuneration or reimbursement of expenses during the year ended 31 December 2022.

5. EXPENDITURE ON RAISING FUNDS		2022 £	2021 £
<b>Investment Management Fees:</b>			
Waverton Investment Management		11,543	-
Rothschild Asset Management		8,745	-
Sarasin and Partners		7,864	-
	11	<u>£ 28,152</u>	<u>£ -</u>

**6. FIXED ASSET INVESTMENTS**

**Quoted investments and cash under management**

Investments at market value as 1 January 2022		-	-
Additions at cost		30,807,405	-
Disposals at carrying value		(7,464,870)	-
		<u>23,342,535</u>	-
Realised gain/(loss) on disposals		(261,226)	-
Unrealised gain on revaluation		385,404	-
<b>Net Gain on Investment Assets</b>	11	124,178	-
Market value at 31 December 2022		23,466,713	-
Forward Currency Contracts awaiting settlement		170,679	-
Cash		2,111,082	-
<b>Total Value at 31 December 2022</b>	12	<u>£ 25,748,474</u>	<u>£ -</u>

**HOLLYHOCK CHARITABLE FOUNDATION**  
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<b>7. DEBTORS</b>	<b>Page</b>		
Investment transactions awaiting settlement		45,251	-
Dividends in the course of collection		7,046	-
	12	<u>£ 52,297</u>	<u>£ -</u>
 <b>8. CASH AT BANK</b>			
C Hoare & Co GBP Current		380,642	2,585,004
C Hoare & Co EUR Current		439	420
	12	<u>£ 381,081</u>	<u>£ 2,585,424</u>
 <b>9. CREDITORS - amounts falling due within one year</b>			
Grant commitments	20	145,999	1,329,147
Investment Management fees		19,406	
Audit fees		8,700	6,300
Accountancy fees		5,100	9,600
	12	<u>£ 179,205</u>	<u>£ 1,345,047</u>

Grant commitments falling due within one year are grants which have been awarded by Trustees prior to 31 December 2022 but not paid until after the year-end, and where there is a constructive obligation to pay them. As at the date of this report all bar one outstanding grant commitment have been paid.

<b>10. GRANT COMMITMENTS</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Crisis	100,000	-
Luminary Bakery	45,999	-
Toy Like Me – MixMUPs	-	1,100,000
Shelter	-	100,000
The West Yorkshire Music Programme	-	65,000
Magic Breakfast	-	50,000
Whiteglasses Education	-	14,147
	20	<u>£ 145,999</u>
		<u>£ 1,329,147</u>

**HOLLYHOCK CHARITABLE FOUNDATION**  
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**11. GRANTS PAYABLE – CONTINGENT LIABILITIES**

The Trustees have made a number of commitments for which several conditions are required to be met before further payments may be released and therefore unpaid amounts have not been recognised in these Financial Statements.

In the period from 8 November 2019 to 31 December 2020 the Trustees made a charitable pledge to Breast Cancer Now totalling up to £500,000 over a five year period. At 31 December 2022, the total contingent liability remaining for Breast Cancer Now was £100,000 (2021: £200,000).

Two further pledges were made during the year to 31 December 2021.

The Trustees pledged up to \$1,500,000 to New Gate to Peace Foundation of which £367,728 (\$500,000) was paid during the year. At 31 December 2022, the total contingent liability remaining is £740,028 (\$1,000,000).

The Trustees also pledged up to £184,594 to Little Village of which £30,000 was paid during the year to 31 December 2021 and £62,297 in the year to 31 December 2022. At 31 December 2022, the total contingent liability remaining is £92,297.

During the year to 31 December 2022 the Trustees made three further pledges were made.

Fareshare were pledged £600,000 over a three year period of which £400,000 remained outstanding at year end, Shelter were pledged £500,000 over a five year period of which £400,000 remained outstanding at the year end and Sense International were pledged £91,335 over a three year period of which £55,033 remained outstanding at the year end.

Additionally Centrepont Soho was pledged £194,037 over a three year period of which £132,487 was outstanding at the year end. However it was confirmed after the year end that the project would not be continuing, justifying the Trustees decision not to recognise the grant in the Financial Statements.

**12. RELATED PARTY TRANSACTIONS**

No related party transactions occurred during the year ended 31 December 2022 (2021: none).

No Trustee received any remuneration or reimbursement of expenses during the year ended 31 December 2022 (2021: £nil).

**13. ULTIMATE CONTROLLING PARTY**

The Trustees consider that the Foundation is jointly controlled by the Trustees and that there is no ultimate controlling party.

**HOLLYHOCK CHARITABLE FOUNDATION**  
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**14. FINANCIAL INSTRUMENTS****Page****2022**  
**£****2021**  
**£**

The carry amounts of the Foundation's financial instruments are as follows:

**Financial assets**

Measured at fair value through SOFA:

-Fixed asset investments	19	25,748,474	-
-Cash at bank and in hand	20	381,081	2,585,424

**Financial liabilities**

Measured at amortised cost

-Creditors	20	179,205	1,345,047
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The net gains attributable to the Trust's financial instruments are summarised as follows:

**Income and expense**

Measured at fair value through SOFA:

-Net gains (including changes in fair value)	11	386,661	(30)
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