

**THE GNC TRUST**

**TRUSTEES' REPORT AND ACCOUNTS**

**31 December 2020**

## **THE GNC TRUST**

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## **THE GNC TRUST**

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

Trustees: Mrs RJ Cadbury  
Mrs PJ Richmond-Watson  
Mrs IJ Williamson

Accountant: PS Accounting  
41 Sycamore Drive  
Hollywood  
Birmingham  
B47 5QX

Independent examiner: Ian Bidmead FCA  
Stanley Yule  
Chartered Accountants  
Waterside House  
1649 Pershore Road  
Birmingham  
B30 3DR

Bankers: HSBC Bank Plc  
11 Victoria Square  
Droitwich Spa  
Worcestershire  
WR9 8DH

Investment managers: Canaccord Genuity  
Slip House  
Princes Drive  
Worcester  
WR1 2AB

Charity number: 211533

Registered address: c/o PS Accounting  
41 Sycamore Drive  
Hollywood  
Birmingham  
B47 5QX

# **THE GNC TRUST**

## **REPORT OF THE TRUSTEES**

The Trustees present their annual report and financial statements of the charity for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

### **Going concern**

The accounts have been prepared on the basis of being a going concern. The Trustees confirm that they have taken into account all available information about the future for at least 12 months from the date the accounts were approved and conclude that there is no uncertainty relating to going concern.

### **Structure, governance and management**

This charitable trust was formed by a deed of settlement dated 1 November 1960 by Mr GN Cadbury.

The trustees have power under this deed to apply both income and capital for such charitable purposes and charitable institutions as they shall determine.

The original trustees were appointed by GN Cadbury. Since his death, the power to appoint new trustees is vested in the existing trustees, in accordance with trust law.

### **Objectives and grant making policy**

The trustees regularly review applications for donations. The objective is to support general worthy causes and donations are made to any charitable institution or for any charitable purposes as determined by the trustees.

### **Achievements and performance**

The charity has continued to be able to support charitable causes and has made grants totalling £53,200 (2019: £37,650) during the year, as shown in note 4. The trustees are satisfied that this expenditure is ultimately for public benefit because the donations are to other charitable organisations, whose funds are generally utilised for the benefit of a wide population.

### **Reserves policy**

The trustees have reviewed the reserves of the charity, which are wholly unrestricted. The majority of these reserves are represented by investments. The trustees do not actively fundraise and therefore rely on the income earned from these investments to enable them to continue their philanthropic work. The trustees consider that the current level of reserves is appropriate to enable them to continue to fund grants and governance costs without significantly reducing the investment capital of the charity.

# **THE GNC TRUST**

## **REPORT OF THE TRUSTEES (CONTINUED)**

### **Investment policy**

The Trust Deed gives the trustees wide powers of investment.

### **Financial Review**

Income for the year consists entirely of investment income and has decreased by just over 15% compared to last year, being £39,957 (2019: £47,264). This is because there was widespread dividend cancellations from UK companies during 2020 at the height of the COVID-19 pandemic. There are no costs of raising funds because the investment manager does not charge separate fees; their commission charges are included in the investment acquisition and disposal costs. Grants payable have increased by just over £15,550 to £53,200 (2019: £37,650), due to some large one off donations. Other costs are the same as the previous year being £3,380. There have been net losses on investments this year of £82,899 (2019: gains of £143,397) due to the effects of the COVID-19 pandemic on the investment market during 2020 and at 31 December 2020. The net result is that there is net expenditure of £99,522 (2019: net income of £150,231). The Trustees are able to distribute both income and capital from the Trust.

Assets under management had a market value of £1,118,759 (2019: £1,204,959).

### **Risk Management**

The trustees have considered the major risks to which the charity is potentially exposed and are satisfied that procedures are in place to minimise exposure to these risks.

### **Post Balance Sheet Events**

The charity has been affected by the onset of the COVID-19 pandemic in early Spring 2020, which has adversely affected the value of the investments included on the balance sheet. However, the total investments and reserves values are deemed sufficient to enable the charity to continue operations in the normal way until the effect of the pandemic has corrected in due course.

Approved by the trustees and signed on their behalf by:

.....

Mrs R J Cadbury

5 May 2021

## THE GNC TRUST

I report to the trustees on my examination of the accounts the GNC Trust (the Trust) for the year ended 31 December 2020, which are set out on pages 6 to 11.

### **Respective responsibilities of trustees and examiner**

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 Trustees' 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 2011 Act.

### **Independent examiner's statement**

I have completed by 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.

Ian Bidmead FCA

Stanley Yule Limited, Chartered Accountants  
Waterside House, 1649 Pershore Road,  
Birmingham B30 3DR

Date: 12 May 2021

# THE GNC TRUST

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>INCOME</b>			
<b><u>Income and endowments</u></b>			
Investment income	2	39,957	47,264
Other income		<u>-</u>	<u>600</u>
<b>TOTAL INCOME</b>		<u>39,957</u>	<u>47,864</u>
<b>EXPENDITURE</b>			
<b><u>Costs of raising funds</u></b>			
		-	-
<b><u>Charitable Activities</u></b>			
Grants payable	4	53,200	37,650
<b><u>Other expenditure</u></b>			
Accountancy fees		2,600	2,600
Independent examination		<u>780</u>	<u>780</u>
<b>TOTAL EXPENDITURE</b>		<u>56,580</u>	<u>41,030</u>
		(16,623)	6,834
Net (losses)/gains on investments	5	<u>(82,899)</u>	<u>143,397</u>
<b>NET (EXPENSES)/INCOME AND NET MOVEMENT IN FUNDS</b>		<u>(99,522)</u>	<u>150,231</u>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward		<u>1,257,755</u>	<u>1,107,524</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>£1,158,233</u>	<u>£1,257,755</u>

# THE GNC TRUST

## BALANCE SHEET - 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>FIXED ASSETS</b>			
Investments under management	5	<u>1,118,759</u>	<u>1,204,959</u>
<b>TOTAL FIXED ASSETS</b>		<u>1,118,759</u>	<u>1,204,959</u>
<b>CURRENT ASSETS</b>			
Debtors	6	-	-
Bank balances	7	<u>42,854</u>	<u>56,176</u>
<b>TOTAL CURRENT ASSETS</b>		42,854	56,176
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(3,380)</u>	<u>(3,380)</u>
<b>NET CURRENT ASSETS</b>		<u>39,474</u>	<u>52,796</u>
<b>NET ASSETS</b>		<u>£1,158,233</u>	<u>£1,257,755</u>
<b>FUNDS</b>			
Unrestricted income funds		<u>1,158,233</u>	<u>1,257,755</u>
<b>TOTAL CHARITY FUNDS</b>		<u>£1,158,233</u>	<u>£1,257,755</u>

Approved by the trustees and signed on their behalf by:

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Mrs R J Cadbury

5 May 2021



# THE GNC TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 ACCOUNTING POLICIES

#### (1) Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS102, 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 2015)', and comply with the charity's trust deed and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

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

#### (2) Financial Reporting Standard 102 – reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemption 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

#### (3) Income recognition

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

Investment income is accounted for on the date the income becomes due and includes any recoverable tax. All other income is accounted for when received.

#### (4) Expenditure recognition

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 settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Grants and donations 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 and is accounted for when paid over, or when awarded, if that award creates a constructively binding obligation on the Charity. Costs of raising funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

# THE GNC TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

### 1 ACCOUNTING POLICIES (CONTINUED)

#### (5) Investments

Investments are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the closing quoted market price as provided by the investment manager. Gains and losses, both realised and those arising on revaluation, are combined and included in the Statement of Financial Activities.

#### (6) Current assets

Amounts owing to the Charity at the balance sheet date are shown as debtors less provision for amounts that may prove uncollectable.

#### (7) Fund accounting

General funds represent the funds of the Charity that are not subject to any restrictions regarding their use and are available for application on the general purposes of the Charity. Funds designated for a particular purpose by the Charity are also unrestricted.

Restricted funds are those funds that must be spent on restricted purposes. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund.

### 2 INVESTMENT INCOME

	<u>2020</u>	<u>2019</u>
Dividends – UK equities, including unit trusts and OIECs	32,804	45,067
Interest – UK fixed interest securities, including unit trusts	7,153	2,193
Bank interest	<u>-</u>	<u>4</u>
	<u>£39,957</u>	<u>£47,264</u>

### 3 TAXATION

The GNC Trust is a charitable trust and is exempt from taxation on its income and capital gains provided that its activities are deemed to be of a charitable nature.

## THE GNC TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

#### 4 GRANTS PAYABLE

	<u>2020</u>	
<u>Medical causes</u>		
The Countess of Brecknock Hospice Trust (2 donations)	2,500	
St John of Jerusalem Eye Hospital (3 donations)	<u>2,000</u>	
		4,500
<u>Culture and The Arts</u>		
Birmingham Royal Ballet (2 donations)	12,500	
CBSO (2 donations)	3,500	
Elmhurst Ballet School	10,000	
Performances Birmingham Ltd	<u>1,500</u>	
		27,500
<u>Religious Interests</u>		
Friends of Bournville Carillon (2 donations)		5,150
<u>Social Welfare</u>		
The Injured Jockey's Fund (4 donations)		2,500
Other grants under £1,500 (28 donations)		<u>13,550</u>
		£53,200
		<u><u>£53,200</u></u>
All the above were institutional grants.		

#### 5 INVESTMENTS

	<u>2020</u>	<u>2019</u>
Market value at 1 January	1,204,959	1,071,779
Purchases	149,613	135,977
Disposals	(152,914)	(146,194)
Gain/(loss)	<u>(82,899)</u>	<u>143,397</u>
Market value at 31 December	£1,118,759	£1,204,959
	<u><u>£1,118,759</u></u>	<u><u>£1,204,959</u></u>
Cost at 31 December	£847,262	£910,565
	<u><u>£847,262</u></u>	<u><u>£910,565</u></u>
Investments at market value comprised:		
UK equities, including unit trusts & OEICS	1,078,304	1,167,950
UK fixed interest securities	<u>40,455</u>	<u>37,009</u>
Market value at 31 December	£1,118,759	£1,204,959
	<u><u>£1,118,759</u></u>	<u><u>£1,204,959</u></u>

## THE GNC TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

#### 5 INVESTMENTS (CONTINUED)

All investment assets are held in the UK. Investments in individual entities held at 31 December 2020 which are considered by the Trustees to be material (over 5% of portfolio by value) are as follows:

iShares II PLC Indexed Linked Gilts UCITS ETF	£55,963
Rio Tinto Ord 10p	£65,901

The trustees do not actively fundraise and therefore rely on the income earned from these investments to enable them to continue their philanthropic work. They are also able to distribute capital.

#### 6 DEBTORS

	<u>2020</u>	<u>2019</u>
Income tax recoverable	£-	£-
	=====	=====

#### 7 BANK BALANCES

The bank balances held as at 31 December were as follows:

	<u>2020</u>	<u>2019</u>
Investment manager's accounts	16,042	12,822
HSBC	<u>26,812</u>	<u>43,354</u>
	£42,854	£56,176
	=====	=====

#### 8 CREDITORS

	<u>2020</u>	<u>2019</u>
Professional fees	£3,380	£3,380
	=====	=====

#### 9 RELATED PARTY TRANSACTIONS AND TRUSTEES REMUNERATION

None of the trustees were paid any remuneration or reimbursed any expenses during the year (2019: £nil).