

THE GNC TRUST

TRUSTEES' REPORT AND ACCOUNTS

31 December 2021

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 2021. 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 2019).

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 £31,100 (2020: £53,200) 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 increased by 4.7% compared to last year, being £41,838 (2020: £39,957). 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 decreased by £22,100 to £31,100 (2020: £53,200), due to some large one off donations in 2020 not being repeated this year. Other costs are similar to the previous year being £3,447 (2020: £3,380). There have been net gains on investments this year of £102,771 (2020: losses of £82,899) due to the investment market recovering following the effects of the COVID-19 pandemic on the investment market during 2020. The net result is that there is net income of £110,062 (2020: net expenditure of £99,522). The Trustees are able to distribute both income and capital from the Trust.

Assets under management had a market value of £1,214,810 (2020: £1,118,759).

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 investment market uncertainty due to the invasion of Ukraine by Russia in February 2022, 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 invasion has corrected in due course.

Approved by the trustees and signed on their behalf by:

.....

Mrs R J Cadbury

16 June 2022

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 2021, 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: 4 July 2022

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
INCOME			
<u>Income and endowments</u>			
Investment income	2	41,838	39,957
TOTAL INCOME		41,838	39,957
EXPENDITURE			
<u>Costs of raising funds</u>			
		-	-
<u>Charitable Activities</u>			
Grants payable	4	31,100	53,200
<u>Other expenditure</u>			
Accountancy fees		2,600	2,600
Independent examination		840	780
Bank charges		7	-
TOTAL EXPENDITURE		34,547	56,580
		7,291	(16,623)
Net (losses)/gains on investments	5	102,771	(82,899)
NET INCOME/(EXPENSES) AND NET MOVEMENT IN FUNDS		110,062	(99,522)
RECONCILIATION OF FUNDS			
Total funds brought forward		1,158,233	1,257,755
TOTAL FUNDS CARRIED FORWARD		£1,268,295	£1,158,233

THE GNC TRUST

BALANCE SHEET - 31 DECEMBER 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
FIXED ASSETS			
Investments under management	5	<u>1,214,810</u>	<u>1,118,759</u>
TOTAL FIXED ASSETS		<u>1,214,810</u>	<u>1,118,759</u>
CURRENT ASSETS			
Debtors	6	-	-
Bank balances	7	<u>56,925</u>	<u>42,854</u>
TOTAL CURRENT ASSETS		56,925	42,854
CREDITORS: amounts falling due within one year	8	<u>(3,440)</u>	<u>(3,380)</u>
NET CURRENT ASSETS		<u>53,485</u>	<u>39,474</u>
NET ASSETS		<u>£1,268,295</u>	<u>£1,158,233</u>
FUNDS			
Unrestricted income funds		<u>1,268,295</u>	<u>1,158,233</u>
TOTAL CHARITY FUNDS		<u>£1,268,295</u>	<u>£1,158,233</u>

Approved by the trustees and signed on their behalf by:

.....

Mrs R J Cadbury

16 June 2022

THE GNC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2019)', 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 2021 (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>2021</u>	<u>2020</u>
Dividends – UK equities, including unit trusts and OIECs	33,513	32,804
Interest – UK fixed interest securities, including unit trusts	<u>8,325</u>	<u>7,153</u>
	£41,838	£39,957
	<u> </u>	<u> </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 2021 (CONTINUED)

4 GRANTS PAYABLE

	<u>2021</u>	
<u>Medical causes</u>		
Medicins Sans Frontieres	1,000	
St John Ambulance (via Northamptonshire Community Foundation)	1,000	
World Sight Foundation	<u>4,000</u>	
		6,000
<u>Culture and The Arts</u>		
Birmingham Royal Ballet (2 donations)	10,500	
Elmhurst Ballet School	<u>3,000</u>	
		13,500
<u>Religious Interests</u>		
St Peter's Church Besford (PCC Defford)	2,000	
Worcester Cathedral	<u>1,000</u>	
		3,000
<u>Social Welfare</u>		
The Injured Jockey's Fund	1,000	
Water Aid	<u>1,000</u>	
		2,000
Other grants under £1,000 (30 donations)		<u>6,600</u>
		<u>£31,100</u>
All the above were institutional grants.		

5 INVESTMENTS

	<u>2021</u>	<u>2020</u>
Market value at 1 January	1,118,759	1,204,959
Purchases	90,205	149,613
Disposals	(96,925)	(152,914)
Gain/(loss)	<u>102,771</u>	<u>(82,899)</u>
Market value at 31 December	<u>£1,214,810</u>	<u>£1,118,759</u>
Cost at 31 December	<u>£886,934</u>	<u>£847,262</u>
Investments at market value comprised:		
UK equities, including unit trusts & OEICS	1,172,795	1,078,304
UK fixed interest securities	<u>42,015</u>	<u>40,455</u>
Market value at 31 December	<u>£1,214,810</u>	<u>£1,118,759</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

5 INVESTMENTS (CONTINUED)

All investment assets are held in the UK. Investments in individual entities held at 31 December 2021 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	£67,776
Diageo Ord 28p	£62,550

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>2021</u>	<u>2020</u>
Income tax recoverable	£-	£-
	=====	=====

7 BANK BALANCES

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

	<u>2021</u>	<u>2020</u>
Investment manager's accounts	23,092	16,042
HSBC	<u>33,833</u>	<u>26,812</u>
	£56,925	£42,854
	=====	=====

8 CREDITORS

	<u>2021</u>	<u>2020</u>
Professional fees	£3,440	£3,380
	=====	=====

9 RELATED PARTY TRANSACTIONS AND TRUSTEES REMUNERATION

None of the trustees were paid any remuneration or reimbursed any expenses during the year (2020: £nil).