



P and C Hickinbotham Charitable Trust

Trustees' Report and Financial Statements for the year
ended 5 April 2021

Registered Charity number 216432

P & C Hickinbotham Charitable Trust
Financial Statements
for the year ended 5 April 2021

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Report of the trustees

The trustees of the P & C Hickinbotham Charitable Trust (“the Trust”) have pleasure in presenting their report and financial statements for the year ended 5 April 2021. The financial statements comply with the Charities Act 2011, the Trust Deed, 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 (FRS102) (updated 1 January 2019).

OBJECTIVES AND ACTIVITIES

The objects of the Trust are to support charitable organisations through grants and donations.

It supports a wide range of projects - disability, social deprivation, homelessness, substance and alcohol abuse, prisoner education and rehabilitation, asylum and immigration issues, rehabilitation of prostitutes, the arts, cultural projects, historical projects, youth, community development, environmental and more. The Trust is unable to support individuals or any group that does not have charitable status.

Grant making policy

Preference is given to applications from groups working in Leicestershire and Rutland along with a small number of applications from North Wales and Northern Ireland although Trustees will look at applications from outside these areas for Quaker applications or special applications. Grants tend to range from £500 to £2,000 although there is no upper set limit for very special applications.

The Trust does not normally support applications for every day running expenses and prefers to support specific projects such as the purchase of specialist equipment, contributions towards the purchase of new premises or the renovation of a building, contributions towards the startup costs of a new post and other one off costs. It does not make regular repeat grants & in general does not support the larger, high profile national charities unless they have a project specific to our area of interest.

The Trustees confirm they have referred to the guidance contained in the Charity Commission’s general guidance on public benefit when reviewing the Trust’s aims and objectives and in planning future activities. When making charitable donations the trustees seek to support organisations whose objectives are in line with the public benefit.

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Report of the trustees (continued)

ACHIEVEMENTS AND PERFORMANCE

A list of the main organisations which have received charitable donations from the Trust can be found in note 2.

FINANCIAL REVIEW

The Trust fund generated income of £76,742 (2020: £93,589) and made donations to charitable institutions totalling £76,170 (2020: £158,505) in the year. After support and governance costs the Trust had net expenditure of £32,886 (2020 net expenditure: £96,835), before gains on the investment portfolio.

Following the outbreak of the COVID pandemic the investment portfolio, in common with markets worldwide, suffered a significant reduction in value. However, markets have since bounced back & by 5 April 2021 the value of the portfolio had increased by £702,316, to £4,841,825. Since the year end the value of the portfolio, including cash for reinvestment, has increased further to £5,494,160 (as at 17 January 2022).

The investment property was renovated in 2019/20 following which an updated valuation of £275,000 was given by a qualified property surveyor. The market value of the property has been uplifted accordingly.

Investment policy

There are no restrictions on the Trust's power to invest. The funds are invested in low and medium risk investments in order to provide a steady stream of income, whilst maintaining the real value of the expendable endowment fund. The performance of investments is reviewed periodically with the investment manager.

Reserves policy and risks

It is the intention of the trustees that the income generated from the investment portfolio shall be distributed for charitable purposes. The objective is to hold a balance of unrestricted income of around £50,000 which the Trustees consider is a level which will provide sufficient funds to respond to applications for donations and ensure there are sufficient funds available to cover support and governance costs for a period of approximately 12 months. The un-restricted fund at 5 April 2021 was £16,367 which is below the target set by the Trustees and will be increased over the next few years by ensuring charitable expenditure does not exceed income.

Funds are held in an expendable endowment fund representing the investments held for the purpose of generating future investment income and to support the continuity of the Trust.

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Report of the trustees (continued)

Amounts included within these funds have been generated through voluntary income (donations, bequest income) and net gains and losses on investments over the history of the Trust. The trustees have power at their discretion to distribute the expendable endowment.

FUTURE PLANS

The Trust, through careful management of its investments and resources, continues to generate investment income allowing it to carry on supporting charitable organisations into the future.

With the level of donations paid being at the discretion of the trustees, they are confident that they retain the ability to appropriately manage the distribution of their resources and safeguard the longevity of the Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The P and C Hickinbotham Charitable Trust is a registered charity (number 216432) and is constituted under a Deed of Settlement dated 5 May 1947.

The Trust was founded through a donation in 1947 from Mr Paul S Cadbury. Over subsequent years further sums have been added to the Trust in order for it to carry on its work in supporting charitable organisations. The Trust does not actively fundraise and seeks to continue its charitable operations through careful stewardship of its existing resources.

The provisions of the Trust Deed require the Trustees to pay or apply the income of the fund and such parts of the capital thereof (which the Trustees shall raise by the sale of the requisite part of the fund) to or for such charitable purposes as the Trustees shall approve.

The accumulated fund is categorised as between an expendable endowment fund, which may at the determination of the trustees become unrestricted income, and an unrestricted income fund representing income received but not yet paid out for charitable purposes.

The purpose of the expendable endowment fund is to provide a relatively secure and predictable stream of income to fund charitable expenditure.

The Trust is managed by its Trustees who communicate at least once per quarter to consider applications for grants and donations. Trustees, typically family members, are invited to join the Trust given they have the necessary skills required.

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees:

Catherine Rachel Hickinbotham (Deceased 29 April 2020)
Roger Paul Hickinbotham
Rachel Elizabeth Hickinbotham
Anna Claire Steiger
Charlotte Mary Palmer

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Report of the trustees (continued)

Frances Kate Hickinbotham
Alice Amelia Hickinbotham

Charity name: P & C Hickinbotham Charitable Trust

Charity Number: 216432

Registered Address:

9 Windmill Way
Lyddington
Oakham
E15 9LY

Independent Examiner:

Karen Hanlan, ACA, ACIE
Karen Hanlan Independent Examiner Limited
12 Waterloo Close
Wellesbourne
CV35 9JG

Bankers:

Barclays Bank plc
Haymarket Towers
1-3 Humberstone Gate
Leicester
LE1 1WL

Investment managers:

JM Finn & Co
4 Coleman Street
London
EC2R 5TA

Approved by the trustees and signed on their behalf by:

RP Hickinbotham
Trustee

Date: 19 January 2022

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Statement of trustees' responsibilities

Under charity law, the trustees are responsible for preparing the Trustees' Annual Report and financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of the surplus or deficit incurred by the charity for that year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, 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 charity will continue its activities.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose, with reasonable accuracy, at any time, the financial position of the charity and to enable them to ensure that, where any statements of accounts are prepared by them under section 130 of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

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Independent Examiner's Report to the Trustees of the P and C Hickinbotham Charitable Trust

I report to the trustees on my examination of the accounts of the P and C Hickinbotham Charitable Trust ('the Trust') for the year ended 5 April 2021 which are set out on pages 9 to 19.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Act).

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

Karen Hanlan, ACA

Date: 19 January 2022

Karen Hanlan Independent Examiner Limited
12 Waterloo Close, Wellesbourne, CV35 9JG

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Statement of financial activities

	Notes	Un- restricted funds 2021 £	Expendable Endowment fund 2021 £	Total funds 2021 £	Total funds 2020 £
Income:					
Investment income	1	76,742	-	76,742	93,589
Total income		76,742	-	76,742	93,589
Expenditure:					
<i>Costs of raising funds:</i>					
Investment management costs		-	26,433	26,433	26,151
Investment property costs		3,112	-	3,112	1,860
<i>Charitable activities:</i>					
Grants payable	2	76,170	-	76,170	158,505
Support & governance costs	3	3,913	-	3,913	3,908
Total expenditure		83,195	26,433	109,628	190,424
Net expenditure before gains on investments		(6,453)	(26,433)	(32,886)	(96,835)
Net gains /(losses) on investments	6	-	702,816	702,816	(299,748)
Net gains on investment property	7	-	-	-	17,586
Net (expenditure)/income and net movement in funds		(6,453)	676,383	669,930	(378,997)
Reconciliation of funds					
Total funds brought forward		22,820	4,684,174	4,706,994	5,085,991
Total funds carried forward	9	16,367	5,360,557	5,376,924	4,706,994

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Balance sheet

	Notes	2021 £	2020 £
Fixed Assets			
Tangible assets	5	2,024	-
Investments:			
Listed investments	6	4,841,825	4,143,142
Cash held for re-investment		213,160	234,682
Investment property	7	275,000	275,000
		<u>5,332,009</u>	<u>4,652,824</u>
Current Assets			
Debtors		227	227
Cash held by investment managers		13,824	24,138
Cash at bank and in hand		32,882	31,751
		<u>46,933</u>	<u>56,116</u>
Current Liabilities			
Creditors: amounts falling due within one year	8	<u>(2,018)</u>	<u>(1,946)</u>
Net current assets		<u>44,915</u>	<u>54,170</u>
Total net assets		<u>5,376,924</u>	<u>4,706,994</u>
Funds of the charity	9		
Un-restricted income fund		16,367	22,820
Expendable endowment		5,360,557	4,684,174
Total Charity Funds		<u>5,376,924</u>	<u>4,706,994</u>

The accompanying accounting policies and notes form part of these financial statements.

Approved by the Trustees and signed on their behalf by:

RP Hickinbotham, Trustee

Date: 19 January 2022

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Principal accounting policies

Basis of preparation

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 (FRS102) updated 1 January 2019) - (Charities SORP (FRS102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The P & C Hickinbotham Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going Concern statement

The financial statements have been prepared on a going concern basis which assumes that the Trust will continue to operate. The validity of this assumption is dependent upon investment returns being adequate to cover the costs of grants made. However, it is the aim of the Trust to only make grants where income or capital is sufficient. Based on this understanding the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments, which would result from the basis of preparation being inappropriate.

Investment income

Investment income is accounted for in the period in which the charity is entitled to receipt.

Expenditure

Expenditure is included on an accruals basis.

Costs of raising funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

Support and governance costs comprise costs for the running of the charity itself as an organisation.

Tangible fixed assets

Capital items costing over £450 are capitalised and included in fixed assets. Depreciation is provided to write the cost of the asset off over its estimated useful economic life by equal annual instalments as follows:

- IT equipment – 3 years

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Fixed asset investments

Fixed asset investments comprise investment properties and listed investments and are included at market value. Listed investments are included at closing mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

Investment property comprises freehold property that is used to generate rentals and for capital appreciation. It is not depreciated but held at market value, with any gains or losses arising being recognised in the statement of financial activities.

Irrecoverable VAT

Irrecoverable VAT is allocated to the expense heading to which it relates in accordance with standard accounting practice.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term deposits repayable on or within a three month notice period. Cash held by Investment managers for reinvestment is treated as a fixed asset investment.

Funds

All funds of the charity are un-restricted funds available for distribution at the discretion of Trustees.

The Expendable Endowment fund has been set aside and is invested for the long term to provide income for distribution to Charitable organisations. However, the fund is available for distribution at the discretion of Trustees.

Notes to the financial statements

1. Investment income

	2021	2020
	£	£
Dividends on listed investments	64,020	85,757
Interest on fixed interest securities	3,086	4,085
Rent receivable	9,600	3,150
Bank interest receivable	36	597
	76,742	93,589

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Notes to the financial statements (continued)

2. Grants payable

Grants were payable to the following institutions in the year:	2021
	£
Northamptonshire Food for Hero's	2,000
Leicester Charity Link	10,000
Centre for Alternative Technology	2,000
The Hardman Trust	2,000
The Salvation Army	1,500
Glenthorne Quaker Centre	2,000
Other donations less than £1,500 each	56,670
	<u>76,170</u>

Grants were payable to the following institutions in the year:	2020
	£
Dove Cottage Day Hospice	2,500
University of Leicester	25,000
Leicestershire Chorale	2,000
Cossington Project Group	2,000
RNLI	5,000
Angels & Monsters	2,000
Age UK Leicestershire & Rutland	5,000
Archbishop of York Youth Trust	2,000
The New Futures Project	2,500
Kegworth Heritage Centre	2,000
Leicester Charity Link	7,500
Glenthorne Quaker Centre	2,000
Camp Charnwood	2,000
Amnesty International	2,000
Other donations less than £2,000 each	95,005
	<u>158,505</u>

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Notes to the financial statements (continued)

3. Support & governance costs

	2021 £	2020 £
Support costs:		
- Postage, printing and stationary	100	204
- IT costs	560	766
- Travel costs	-	-
- Depreciation	675	-
Governance costs		
- Independent Examiners' fee (including accountancy fees of £520)	1,850	1,850
- Freelance administrator	728	1,088
	<u>3,913</u>	<u>3,908</u>

4. Trustees remuneration and expenses

The Trustees received no remuneration for their services during the year and travel expenses in relation to Trust duties totalling £nil (2020: £nil were reimbursed to one Trustee).

5. Tangible fixed assets

	Computer equipment £
Cost	
At beginning of year	2,439
Additions	2,699
Disposals	(2,439)
At end of year	<u>2,699</u>
Depreciation	
At beginning of year	2,439
Disposals	(2,439)
Charge for year	<u>675</u>
At end of year	675
Net Book Value	
At 5 April 2021	<u>2,024</u>
At 5 April 2020	<u>-</u>

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Notes to the financial statements (continued)

6. Fixed asset Investments

	2021 £	2020 £
Listed Investments		
Market value at beginning of year	4,143,142	4,496,099
Acquisitions at cost	609,339	689,600
Sales proceeds from disposals	(613,472)	(742,809)
Net gains/(losses) in year	702,816	(299,748)
Market value at end of year	4,841,825	4,143,142
Historic cost at end of year	2,828,943	2,792,976

Listed Investments comprise:

	£	£
Fixed interest securities - UK	447,206	450,548
Equity shares & funds - UK	2,259,954	1,851,996
- Offshore	2,134,665	1,840,598
	4,841,825	4,143,142

	2021 £	2020 £
Investments in individual entities over 5% of portfolio value:		
Vulcan Global Value Fund	269,649	250,502
Egerton Capital Equity Fund A Rep Acc Nav	414,869	272,999
Polar Capital Funds Global Technology	250,560	-
Givaudan SA CHF 10	-	219,881
Wisdomtree Metal Securities ETFs Physical Gold	315,262	241,074
UK Government Treasury Stock 1.25% 2027	318,159	320,827

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Notes to the financial statements (continued)

7. Investment property

	2021	2020
	£	£
Freehold property		
Market value		
At beginning of year	275,000	200,000
Additions	-	57,414
Valuation gain	-	17,586
At end of year	275,000	275,000

28 Laureston Drive, Stoneygate, Leicester was bequeathed during 2007/8 from the estate of Paul Frederick John Hickinbotham deceased at a probate valuation of £175,000 at 25 January 2007. The property was renovated in March 2020 and valued, on an informal basis, by a qualified surveyor at a market value of £275,000, subject to Assured Shorthold Tenancy. The Trustees are confident that the valuation is in line with current market value.

8. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Accruals	2,018	1,946
	2,018	1,946

9. Un-restricted funds

2021	Un-restricted Income £	Expendable endowment £	Total £
Balance at beginning of year	22,820	4,684,174	4,706,994
Income	76,742	-	76,742
Expenditure	(83,195)	(26,433)	(109,628)
Realised/unrealised investment losses	-	702,816	702,816
Balance at end of year	16,367	5,360,557	5,376,924

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Notes to the financial statements (continued)

2020	Un- restricted Income £	Expendable endowment £	Total £
Balance at beginning of year	93,504	4,992,487	5,085,991
Income	93,589	-	93,589
Expenditure	(164,273)	(26,151)	(190,424)
Realised/unrealised investment losses	-	(299,748)	(299,748)
Unrealised gain on investment property	-	17,586	17,586
	22,820	4,684,174	4,706,994

10. Analysis of net assets between funds

Fund balances at 5 April 2021 are represented by:

	Income fund £	Expendable endowment £	Total Funds £
Tangible Fixed Assets	2,024	-	2,024
Investment Assets	-	5,329,985	5,329,985
Current assets	16,361	30,572	46,933
Liabilities	(2,018)	-	(2,018)
Total	16,367	5,360,557	5,376,924

Fund balances at 5 April 2020 are represented by:

	Income fund £	Expendable endowment £	Total Funds £
Tangible Fixed Assets	-	-	-
Investment Assets	-	4,652,824	4,652,824
Current assets	24,766	31,350	56,116
Liabilities	(1,946)	-	(1,946)
Total	22,820	4,684,174	4,706,994

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Notes to the financial statements (continued)

11. Controlling Interests

The charity is controlled by the trustees.

12. Related party transactions

There have been no transactions with related parties in the year (2020: None)

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Notes to the financial statements (continued)

13. Prior Year Comparative Statement of Financial Activities for 2020

	Un- restricted funds	Expendable Endowment fund	Total funds
Income:	£	£	£
Investment income	93,589	-	93,589
Total income	93,589	-	93,589
Expenditure:			
<i>Costs of raising funds:</i>			
Investment management costs	-	26,151	26,151
Investment property costs	1,860	-	1,860
<i>Charitable activities:</i>			
Grants payable	158,505	-	158,505
Support costs & governance costs	3,908	-	3,908
Total expenditure	164,273	26,151	190,424
Net expenditure and net movement in funds before (losses)/gains on investments	(70,684)	(26,151)	(96,835)
Net losses on investments	-	(299,748)	(299,748)
Net gains on investment property	-	17,586	17,586
Net expenditure and net movement in funds	(70,684)	(308,313)	(378,997)
Reconciliation of funds			
Total funds brought forward	93,504	4,992,487	5,085,991
Total funds carried forward	22,820	4,684,174	4,706,994