

**The Kenneth Hargreaves Charitable Trust**

**Annual Report and Financial Statements  
for the year ended 5 April 2021**

**Charity Commission Reference Number 223800**

**Armstrong Watson Audit Limited  
Third Floor  
10 South Parade  
Leeds LS1 5QS**

**The Kenneth Hargreaves Charitable Trust**

**Year ended 5 April 2021**

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## **The Kenneth Hargreaves Charitable Trust**

### **Trustees' Report for the year ended 5 April 2021**

#### **Legal and administrative information**

Charity number:	223800
Secretary:	Kathryn Hodges
Principal address:	69 Holgate Road York YO24 4AA
Trustees:	Dame Ingrid Roscoe (died 28 June 2020) Margret Hargreaves-Allen (retired 15 January 2021) Peter Chadwick John Roscoe (retired 29 October 2020) Nicholas Roscoe (appointed 29 October 2020) Katherine Else Parker (appointed 29 October 2020) Dr Venetia Alexa Herrod (appointed 29 October 2020) Emma Henrietta Vickers (appointed 29 October 2020)
Independent Examiner:	Ross Preston
Accountants:	Armstrong Watson Audit Limited Third Floor 10 South Parade Leeds LS1 5QS
Bankers:	Lloyds TSB plc 8-11 Cambridge Crescent Harrogate HG1 1PQ 01423 505 521
Investment Managers:	Cheviot Asset Management 90 Long Acre London WC2E 9RA 0207 845 6150

The Trustees present their report together with the financial statements of the charity for the year ended 5 April 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, the Charities (Accounts and Reports) Regulations 2008 and Statement of Recommended Practice "Accounting and Reporting by Charities" (Charities SORP (FRS102)).

#### **History and constitution**

The trust was created by a Trust Deed dated 19th July 1957, made by the late Brigadier Kenneth Hargreaves, and is registered with the Charity Commission under the registered number 223800. The trust was established to make funds available for charitable purposes.

The trustees have chosen an accounting reference date of 5 April to coincide with the tax year and facilitate the efficient repayment of income tax suffered.

## **The Kenneth Hargreaves Charitable Trust**

### **Trustees' Report (continued) for the year ended 5 April 2021**

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

The trust is managed by the trustees and policy decisions are determined by consensus. Trustees are appointed based on recommendations from the current Trustees. The induction process for newly appointed Trustees comprises of a series of meetings with the existing Trustees.

#### **Objectives and activities**

The trust does not fund-raise and seeks to continue the philanthropic intentions of the donor through the careful stewardship of the existing resources.

Grants are made at the discretion of the trustees and are normally made to charitable institutions in the arts, conservation, health, social needs and animal welfare sectors. Grants are paid out of income but the trustees may, if they feel it necessary, pay grants out of capital.

#### **Risk management policy**

In view of the size and nature of the charity's activities the Trustees have concluded that there is no significant level of risk to the charity's funds, other than that which can be managed by prudent book-keeping and budgetary procedures, annual independent examination or audit of the accounts and secure operation of the charity's banking arrangements.

Trustees additionally receive and respond to advice and information from investment managers and regularly review investment management arrangements to ensure that capital values are maintained.

The Trustees consider that the present arrangements are satisfactory.

#### **Grants policy**

All applications received, whether by post or email are put forward to the Trustees at their next meeting. However, due to the general charitable purposes of the Charity to support organisations across England and Wales, a high proportion of applications are unsuccessful. As a small Charity, we endeavour to keep our administrative costs to a minimum and therefore have reluctantly taken the decision that only successful applications will be acknowledged. However, we do have a FAQ sheet, which aims to answer most commonly asked questions and outlines our processes; this is available to all applicants on enquiry.

In assessing applications, Trustees give greatest consideration to local projects, particularly those in West Yorkshire and focus on the following areas of interest: Arts, Medical, Conservation, Animal Welfare, Children and Social Welfare.

#### **Ethical policy**

In the interests of best practice, the Trustees have resolved that personal opinion should not influence investment policy in case it is to the detriment of the value of the portfolio and consequently the work of the Trust and therefore there are no specific restrictions on the type of investments made by the charity, other than that the investments should be suitable for trusts.

#### **Reserves policy**

The Trustees aim to keep a level of liquidity within the trust's assets and year on year will donate the surplus income of the trust. The income producing investments are maintained to generate future income.

#### **Investment policy**

The investments are managed so as to maintain a balance between capital growth and providing a regular income, which over the long term will endeavour to maintain the real value of the assets. The investments comprise a balanced portfolio of equities, with a medium risk profile, fixed interest investments and cash.

## **The Kenneth Hargreaves Charitable Trust**

### **Trustees' Report (continued) for the year ended 5 April 2021**

#### **Public benefit statement**

The Trustees of The Kenneth Hargreaves Charitable Trust confirm that they have complied with their duty under section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

#### **Trustees' responsibility for the financial statements**

Charity law requires the Trustees of the charity to prepare a Statement of Financial Activities and a Balance Sheet which gives a true and fair view of the state of affairs of the charity and of its income and expenditure.

In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- value assets and liabilities in accordance with the 2008 regulations and the Statement of Recommended Practice "Accounting and Reporting by Charities" (Charities SORP (FRS102));
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records, which are sufficient to:

- show and explain the charity's transactions;
- disclose with reasonable accuracy at any time the financial position of the charity;
- enable them to ensure that any financial statements comply with the requirements of the Charities (Accounts and Reports) Regulations 2008.

The Trustees are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Financial activities and affairs**

Total income for the year under review amounted to £29,469, a decrease of £3,866 (12%) as compared with the previous year.

Charitable donations amounting to £34,150 were made during the year (2020: £22,951).

Net expenditure for the year amounted to £12,622, compared to net income of £7,201 in the previous year.

Capital gains realised on the sale of investments amounted to £16,960 (2020: £438), and unrealised gains attributable to the change in the market value of investments during the year amounted to £142,947 (2020: unrealised losses of £148,807).

The overall net increase in funds for the year amounted to £147,285, resulting in total funds of £972,142 to carry forward at 5 April 2021.

During the year under review the charity purchased investments at a cost of £335,761 and received proceeds of £330,123 from the sale of investments.

The market value of the charity's investments at 5 April 2021 was £953,532. After adjusting for purchases and sales in the year this represents capital growth of the portfolio amounting to £142,947 as compared to the market value at the previous year end. This increase is predominantly the result of general market volatility at the previous year end caused by the coronavirus pandemic.

The Trustees receive no remuneration and charged no expenses whilst acting in their capacity as Trustee or otherwise.

**The Kenneth Hargreaves Charitable Trust**

**Trustees' Report (continued)  
for the year ended 5 April 2021**

**Compliance and statutory requirements**

The Trustees Report has been prepared in accordance with the provisions of the Charities (Accounts and Reports) Regulations 2008 and Statement of Recommended Practice "Accounting and Reporting by Charities" (Charities SORP (FRS102)).

**Trustees' approval**

The Trustees' Report was approved by the Trustees and signed on their behalf by

Peter Chadwick  
Trustee

Date: 16 November 2021

**The Kenneth Hargreaves Charitable Trust**  
**Independent Examiner's Report to the Trustees**  
**for the year ended 5 April 2021**

**Charity Commission Reference Number 223800**

I report to the Trustees on my examination of the accounts of the Kenneth Hargreaves Charitable Trust on pages 6 to 11.

**Respective responsibilities of Trustees and examiner**

The charity's Trustees are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act.
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act); and
- to state whether particular matters have come to my attention

**Basis of independent examiner's statement**

My examination was carried out in accordance with General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

**Independent examiner's statement**

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did 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 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.

Ross Preston  
Chartered Accountant

Date: 10 January 2022

Armstrong Watson Audit Limited  
Third Floor  
10 South Parade  
Leeds LS1 5QS

**The Kenneth Hargreaves Charitable Trust**

**Statement of Financial Activities  
for the year ended 5 April 2021**

	Note	2021 £	2020 £
<b>Income</b>			
Income from investments	4	29,469	33,320
Deposit interest		-	15
<b>Total income</b>		<u>29,469</u>	<u>33,335</u>
<b>Expenditure from charitable activities</b>			
Direct charitable donations	5	34,150	22,951
Management and administration		2,053	1,383
Accountancy and examination		1,800	1,800
Investment management fees		4,088	-
<b>Total expenditure</b>		<u>42,091</u>	<u>26,134</u>
<b>Net (expenditure)/income</b>		<u>(12,622)</u>	<u>7,201</u>
<b>Other recognised gains/(losses)</b>			
Realised gains on the sale of investments		16,960	438
Unrealised gains/(losses) on the revaluation of investments		<u>142,947</u>	<u>(148,807)</u>
Gains/(losses) on investment assets		159,907	(148,369)
<b>Net movement in funds</b>		<u>147,285</u>	<u>(141,168)</u>
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>824,857</u>	<u>966,025</u>
Total funds carried forward		<u>972,142</u>	<u>824,857</u>

The notes on pages 8 to 11 form part of these financial statements.

See note 9 on page 11 for the note of historical cost income and expenditure.



# The Kenneth Hargreaves Charitable Trust

## Balance Sheet at 5 April 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	6	<u>953,532</u>	<u>787,988</u>
<b>Current assets</b>			
Cash at bank	7	<u>20,410</u>	<u>38,669</u>
		<u>20,410</u>	<u>38,669</u>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	8	<u>1,800</u>	<u>1,800</u>
<b>Net current assets</b>		<u>18,610</u>	<u>36,869</u>
<b>Net assets</b>		<u>972,142</u>	<u>824,857</u>
<b>Funds</b>			
Unrestricted funds	10	<u>972,142</u>	<u>824,857</u>

The notes on pages 8 to 11 form part of these financial statements.

The financial statements were approved by the trustees and signed on their behalf by:

Peter Chadwick  
Trustee

Date: 16 November 2021

## **The Kenneth Hargreaves Charitable Trust**

### **Notes to the financial statements for the year ended 5 April 2021**

#### **1. Accounting policies**

##### **Charity information**

The Kenneth Hargreaves Charitable Trust is a charity which is registered with the Charity Commission for England and Wales under the registered number 223800. The principal address is 69 Holgate Road, York, YO24 4AA.

##### **1.1 Accounting convention**

The financial statements are prepared in accordance with FRS102 and The Charities SORP (FRS102), and are in compliance with the Charities (Accounts and Reports) Regulations 2008 issued under the Charities Act 2011.

The financial statements are prepared under the historical cost convention, modified to include investments at fair value.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

##### **1.2 Going concern**

There are no material uncertainties about the charity's ability to continue as a going concern for a period of at least 12 months from the date of approval of the accounts. The trustees assess going concern through regular reviews of the performance of the charity's managed listed investment portfolio. The market value of the charity's investment portfolio at 5 April 2021 is £953,532, having recovered from the investment market volatility caused by the Covid-19 pandemic which saw the market value of the investments decrease to £787,988 at 5 April 2020. The recovery is the result of both a general market recovery and strategic investment decisions by the investment managers. Investment income has remained at a level which enables the trustees to continue to make discretionary donations and meet charity's liabilities as they fall due.

##### **1.3 Income**

Investment income is included in the financial statements when received and is stated gross of any recoverable tax deducted at source. Other income is included in the financial statements on an accruals basis.

##### **1.4 Direct charitable expenditure**

Direct charitable expenditure is included in the financial statements as and when paid by the charity.

##### **1.5 Other expenditure**

Other expenditure is included in the financial statements on an accruals basis.

##### **1.6 Taxation**

The charity is exempt from income and capital gains tax to the extent that income and gains are applied for charitable purposes. The trust is unable to recover value added tax on its expenditure and accordingly expenses are shown gross of value added tax.

##### **1.7 Investments**

Investments are stated in the balance sheet at their open market value.

Both realised and unrealised gains and losses on investments are included in other recognised gains and losses on the Statement of Financial Activities.

Realised gains and losses on investments are calculated as the difference between disposal proceeds and carrying value at the date of disposal. Carrying value is the sum of market value brought forward at the beginning of the accounting period and the cost of subsequent acquisitions.

**The Kenneth Hargreaves Charitable Trust**

**Notes to the financial statements (continued)  
for the year ended 5 April 2021**

**2. Trustees' remuneration**

None of the Trustees receive any remuneration for their work as a Trustee.

**3. Independent Examiner's remuneration**

Fees in relation to accountancy and examination services amounting to £1,800 (2020: £1,800) including VAT are for the preparation of the financial statements and independent examination thereof.

**4. Income from investments**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Investment income arose from the following sources:		
<i>United Kingdom</i>		
Companies	16,004	19,173
Companies interest	252	406
Collectives: dividends	4,599	2,934
Collectives: interest	2,296	2,888
UK Treasury: fixed interest	1,222	1,841
Property income distributions	438	929
<i>Overseas</i>		
Dividends	3,282	3,318
Interest	1,376	1,831
	<u>29,469</u>	<u>33,320</u>

**5. Charitable donations**

During the year ended 5 April 2021, aggregate grants made to charitable institutions amounted to £34,150 (2020: £22,951) and were allocated to the following sectors.

	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>No. Grants</b>	<b>No. Grants</b>	<b>£</b>	<b>£</b>
Arts	8	8	5,900	4,800
Medical	7	3	5,750	2,000
Conservation	6	5	3,500	3,500
Animal welfare	9	5	3,250	1,750
Children	1	4	2,000	4,000
Social welfare	17	13	<u>13,750</u>	<u>6,901</u>
Total for the year	48	38	<u>34,150</u>	<u>22,951</u>

**The Kenneth Hargreaves Charitable Trust**

**Notes to the financial statements (continued)  
for the year ended 5 April 2021**

**6. Investments**

	<b>2021</b> £	<b>2020</b> £
Market value brought forward	787,988	945,285
Additions at cost	335,761	304,183
Disposal at carrying value	(313,164)	(312,673)
Revaluation to carrying value	142,947	(148,807)
Market value carried forward	<u>953,532</u>	<u>787,988</u>
Historical cost	<u>852,649</u>	<u>800,617</u>

Investments are held within the following categories:

	<b>2021</b> £	<b>2020</b> £
Listed on a recognised stock exchange:		
United Kingdom based organisations		
Companies	290,809	328,862
Collectives	323,430	173,942
United Kingdom Treasury	61,342	65,629
Overseas based organisations	277,951	219,555
	<u>953,532</u>	<u>787,988</u>

Investments are held in nominee accounts on behalf of the Trustees but in all other respects are considered to be directly held investments.

**7. Cash at bank**

	<b>2021</b> £	<b>2020</b> £
Lloyds	8,408	14,412
Investment adviser account: income	4,902	8,412
Investment adviser account: capital	7,100	15,845
	<u>20,410</u>	<u>38,669</u>

**8. Creditors**

	<b>2021</b> £	<b>2020</b> £
Accountancy and independent examination fees	<u>1,800</u>	<u>1,800</u>

**The Kenneth Hargreaves Charitable Trust**

**Notes to the financial statements (continued)  
for the year ended 5 April 2021**

**9. Note of historical cost income and expenditure**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net income and expenditure for the year	(12,621)	7,200
Realised gains on investments calculated using cost	<u>46,395</u>	<u>28,403</u>
Historical cost income and expenditure	33,774	35,603
Difference between the historical cost gain/(loss) arising from the realisation of investments and the actual gain/(loss) calculated using carrying values	(29,436)	(27,964)
Unrealised gain/(loss) on revaluation of investments	142,947	(148,807)
Movement in funds on Statement of Financial Activities	<u><u>147,285</u></u>	<u><u>(141,168)</u></u>

**10. Funds**

The accumulated fund comprises the original settled capital as adjusted for subsequent realised and unrealised investment gains and losses, together with the annual surpluses or deficits of income.

The Trustees are able to apply capital and income for charitable purposes as they think fit and separate income and capital funds are therefore not maintained.

**11. Related party transactions**

There have been no transactions with related parties during the year.