

**THE JOSEPH RANK BENEVOLENT FUND
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

THE JOSEPH RANK BENEVOLENT FUND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

J.R. Newton
K.S. Webster
Mrs V.R. Heuck
M.H. Lucas
Mrs B.J. Waite
Miss D. North
Mrs J.D. Clunie

Charity number

225318

Principal address

Mrs D Burman
Artlink Centre
87 Princes Avenue
Hull
East Yorkshire
HU5 3QP

Auditors

Dutton Moore
Aldgate House
1-4 Market Place
Hull
East Yorkshire
HU1 1RS

THE JOSEPH RANK BENEVOLENT FUND

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THE JOSEPH RANK BENEVOLENT FUND

SIGNIFICANT INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2020

Officers:

| | | Address |
|------------------------|----------------|---|
| Chair: | Mrs B.J. Waite | The Artlink Centre, 87 Princes Avenue, Hull HU5 3QP |
| Vice Chair: | Miss D. North | The Artlink Centre 87 Princes Avenue, Hull HU5 3QP. |
| Clerk to the Trustees: | Mrs. D. Burman | The Artlink Centre, 87 Princes Avenue, Hull HU5 3QP |

Trustees:

J.R. Newton
K.S. Webster
Mrs V. R. Heuck
M.H. Lucas
Mrs.B.J. Waite
Miss D. North
Mrs J.D. Clunie

Advisors:

| | |
|----------------------|---|
| Bankers: | Weatherbys Bank, Sanders Road, Wellingborough, Northamptonshire, NN8 4BX |
| Auditors: | Dutton Moore, Aldgate House, 1-4 Market Place, Hull, HU1 1RS |
| Solicitors: | Andrew Jackson, Marina Court, Castle Street, Hull, HU1 1JT |
| Investment Managers: | Rathbone Investment Management Limited 8 Finsbury Circus, London EC2M 7AZ. |
| Principal Office: | The Artlink Centre, 87 Princes Avenue, Hull, HU5 3QP |

THE JOSEPH RANK BENEVOLENT FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and the accounts for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies on pages 12 to 13 and comply with the charity's trust deed and applicable law.

The charity was established under a trust deed dated 30th November, 1934 and is a registered charity (No. 225318). On the 21st September 2017 consent was obtained from the Charity Commission to a special resolution of the Trustees that under section 282 of the Charities Act 2011 they be authorised to spend capital which forms part of the Permanent Endowment Fund of the Charity.

The objects of the charity are as follows:

The trust was set up for the benefit of Institutions and poor persons of good character of the City of Hull who:

1. from age, ill health, accident or infirmity are wholly or in part unable to maintain themselves by their own exertions,
2. shall be selected or chosen by the Trustees, and
3. shall satisfy the Trustees that they have resided within the prescribed area for a period or periods aggregating not less than 10 years within the 15 years next before the commencement of any payment.

ORGANISATION

Trustees

The Board of Trustees has the general control and management of the charity and forms the body of Charity Trustees as defined in the Charities Act 2011.

The membership of the Board consists of:

- The Chair elected by resolution by the members of the Board.
- Vice-Chair elected by resolution by the members of the Board.
- Such other number of persons elected by members of the Board which shall not be less than three nor more than five as in accordance with Clause 14 of the Trust Deed.

The Trustees met four times during the year. Due to Covid-19 the June, September and December 2020 meeting were via "Zoom".

Potential trustees are identified based upon relevant professional expertise or an interest in the objects of the charity. They are given a copy of the Trust's constitution and a copy of the Charity Commissions Guide "The Essential Trustee" and invited to a Board meeting before accepting appointment. Once appointed Trustees hold office indefinitely.

ACHIEVEMENTS AND PERFORMANCE DURING THE YEAR

During the year the Trustees paid allowances or other periodical payments of £84,010 (2019: £84,240) to beneficiaries and £6,000 (2019: £6,000) to eight (2019: ten) local charities.

THE JOSEPH RANK BENEVOLENT FUND

TRUSTEES' REPORT (CONTINUED)

RESERVES POLICY

The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of expenditure on charitable activities. The trustees consider that this level will provide sufficient funds to cover support and governance costs as well as funding regular payments to beneficiaries. The trustees consider that a level of three months is sufficient given the flexibility afforded by the consent of the Charity Commission for them to spend capital which forms part of the Permanent Endowment Fund.

It was noted that the funds held on General Fund are unrestricted and freely available to spend on the objects and purposes of the charity. At the balance sheet date, the General Fund stood at £54,968 (2019: £63,577).

The expenditure on charitable activities for 2020 was £127,955 (2019: £128,296) and so three months expenditure is approximately £31,989 (2019: £32,074). The current level of reserves has therefore remained above the target set by the trustees. However, the unforeseen reduction in the charity's investment income caused by dividend cuts stemming from the COVID-19 pandemic has given rise to a drop in investment income of £28,547. The trustees do not expect that income levels will recover in 2021 and so reserves would fall below the target figure. To prevent this the trustees will again use the authority granted to the charity to spend permanent endowment capital to support its obligations to beneficiaries until such times as investment returns improve.

FINANCIAL REVIEW

In accordance with the Statement of Recommended Practice for Charity Accounting, the investments of the Charity are shown in the accounts at market value.

There is an excess of expenditure over income of £64,850 (2019: excess expenditure £37,145) for the year before gains and losses on revaluation and disposal of investment assets. The surplus on revaluation and the above excess have been adjusted against the appropriate balances brought forward.

The Trustees, who receive no remuneration or benefits, manage the Fund by employing a consultancy firm who maintain the records and administer the applications from potential beneficiaries, for consideration by the Trustees, and payments to the beneficiaries.

The funds are represented by assets which are investments authorised by law for the investment of trust funds. The investment portfolio is managed by a firm of stockbrokers on a discretionary basis who report to the Trustees quarterly.

The overall investment policy is medium risk with a view to generating returns, over time, above the rate of inflation. During the year income from listed investments reduced from £117,880 to £89,333 whilst capital values reduced by approximately 0.5% from £3,928,843 to £3,909,232. Gross of investment management fees the portfolio recorded a total investment return of +3.2% for the year (2019: +17.6%), compared to +1.9% (2019: +15.2%) shown by the MSCI PIMFA Private Investor Income Index. Given that the Charity's portfolio has a mixture of equities and gilts, the performance is broadly in line with the markets.

THE JOSEPH RANK BENEVOLENT FUND

TRUSTEES' REPORT (CONTINUED)

COVID-19 IMPACT

As referenced in the previous sections the income of the charity has been adversely affected by the reduction in, or cancellation of, dividends by companies in which the charity's permanent endowment fund has invested. In some instances this has been in response to receiving financial support from public funds and in other cases in response to the impact the virus has had directly on their own trading operations.

Despite this fall, the charity has been able to maintain payments to beneficiaries firstly by using accumulated reserves and secondly by taking advantage of the permission granted by the Charity Commission to spend permanent endowment capital as income, resulting in a withdrawal of £30,000 from the permanent endowment fund. With this facility available, the Trustees anticipate that payments to beneficiaries will be unaffected by the impact of the pandemic.

Operationally, the functions of the charity have been carried out remotely; Trustees meetings have been held via "Zoom" and the Clerk has been empowered to enrol new beneficiaries at her discretion having first conducted a telephone interview. Once easing of restrictions allow it, the remainder of the standard eligibility procedures will be completed.

PUBLIC BENEFIT

i) Identifiable benefits

In accordance with the charity's objects, as stated above, it provides pecuniary benefits to institutions and poor persons of good character in the City of Hull.

As at the balance sheet date it was making payments of £45 per quarter to 396 single beneficiaries (2019: 372) and payments of £90 per quarter to 46 married couples (2019: 51).

ii) Benefits to the Public

The charity's objects place restrictions on those able to benefit in order to ensure that only the most deserving receive support. This is done by requiring applicants to complete a statement of income and capital followed by an interview with the Trustees. Using this system the Trustees believe that they ensure all potential beneficiaries are treated the same.

Although there is a geographical restriction on potential beneficiaries, the Trustees are of the opinion that the size of the City of Hull is not an unreasonable restriction in the context of the resources available to the charity.

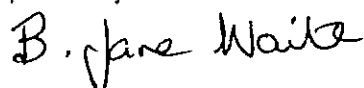
iii) Confirmation

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 with regard to public benefit guidance published by the Charity Commission.

AUDITORS

Dutton Moore have signified their willingness to continue in office and a resolution to that effect will be put forward at the Annual General Meeting.

Approved by the Trustees on 9th March 2021 and signed on their behalf by



Mrs B.J. Waite – Chair

THE JOSEPH RANK BENEVOLENT FUND

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the accounts 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 accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE JOSEPH RANK BENEVOLENT FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE JOSEPH RANK BENEVOLENT FUND

FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of The Joseph Rank Benevolent Fund (the "Charity") for the year ended 31st December 2020 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and 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 Charity's affairs as at 31st December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Charity 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

THE JOSEPH RANK BENEVOLENT FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE JOSEPH RANK BENEVOLENT FUND (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 requires 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;
- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, 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 they 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 Charity'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 liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under the Charities Act 2011, s145 and report in accordance with regulations made under 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

THE JOSEPH RANK BENEVOLENT FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE JOSEPH RANK BENEVOLENT FUND (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Capability of the audit in detecting irregularities including fraud

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

- We consider the way and extent to which information is presented in the financial statements in the context of the laws and regulations to which the Charity is subject, principally the Charities SORP (FRS 102) and the Charities Act 2011.
- We determined that the principal risks in relation to fraudulent manipulation of the financial statements centred around unauthorised payments to beneficiaries and the custody and valuation of investments. Audit procedures performed to address these risks included the review and testing of controls within the Charity, the review of third party reports into the controls applied by the Charity's stockbroker and testing information supplied.

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit has been properly planned and performed in accordance with auditing standards (ISAs (UK)).

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's 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 Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Dutton Moore
Chartered Accountants & Statutory Auditor
Aldgate House
1-4 Market Place
Hull
East Yorkshire
HU1 1RS

Dated:

Dutton Moore is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE JOSEPH RANK BENEVOLENT FUND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

| | Notes | General funds £ | Endowment funds £ | Total 2020 £ | Total 2019 £ |
|--|----------|--------------------|----------------------|--------------------|--------------------|
| <u>Income and endowments</u> | | | | | |
| Donations and legacies | 2 | - | - | - | 300 |
| Investment income | 3 | 89,346 | - | 89,346 | 117,962 |
| | | 89,346 | - | 89,346 | 118,262 |
| Endowment funds withdrawn as income | 4 | 30,000 | - | 30,000 | - |
| Total income | | 119,346 | - | 119,346 | 118,262 |
| <u>Expenditure</u> | | | | | |
| Costs of raising funds | | | | | |
| Investment management costs | | - | 26,241 | 26,241 | 27,111 |
| Expenditure on charitable activities | | | | | |
| Grants to individuals & administration costs | 5 | 121,955 | - | 121,955 | 122,296 |
| Endowment funds withdrawn as income | | - | 30,000 | 30,000 | - |
| Donations | 6 | 6,000 | - | 6,000 | 6,000 |
| Cost of grant making | | 127,955 | 30,000 | 157,955 | 128,296 |
| Total expenditure | 5 | 127,955 | 56,241 | 184,196 | 155,407 |
| Net income / (expenditure) before gains / (losses) on investments | | (8,609) | (56,241) | (64,850) | (37,145) |
| Gains on investment assets | | - | 37,005 | 37,005 | 492,420 |
| Net movement in funds | | (8,609) | (19,236) | (27,845) | 455,275 |
| Fund balances at 1 January 2020 | | 63,577 | 3,937,856 | 4,001,433 | 3,546,158 |
| Fund balances at 31 December 2020 | | 54,968 | 3,918,620 | 3,973,588 | 4,001,433 |

THE JOSEPH RANK BENEVOLENT FUND

BALANCE SHEET

AS AT 31 DECEMBER 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|----------------|------------------|-----------------|------------------|
| Fixed assets | | | | | |
| Investments | 10 | | 3,909,232 | | 3,928,843 |
| Current assets | | | | | |
| Debtors | 11 | 3,918 | | 4,207 | |
| Cash at bank and in hand | | 70,375 | | 78,695 | |
| | | <u>74,293</u> | | <u>82,902</u> | |
| Creditors: amounts falling due within one year | 12 | <u>(9,937)</u> | | <u>(10,312)</u> | |
| Net current assets | | | 64,356 | | 72,590 |
| Total assets less current liabilities | | | <u>3,973,588</u> | | <u>4,001,433</u> |
| The funds of the charity | | | | | |
| Endowment funds | | | 3,918,620 | | 3,937,856 |
| Income funds | | | | | |
| General funds | | | 54,968 | | 63,577 |
| | | | <u>3,973,588</u> | | <u>4,001,433</u> |

The accounts were approved by the Board of Trustees on 9 March 2021 and signed on its behalf by:

B. Jane Waite

Mrs B.J. Waite
Trustee

THE JOSEPH RANK BENEVOLENT FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st DECEMBER 2020

| | 2020 £ | 2019 £ |
|---|------------------|------------------|
| Reconciliation of net movement in funds to net cash flow from operating activities | | |
| Net movement in funds | (27,845) | 455,275 |
| Deduct investment income | (89,346) | (117,962) |
| Deduct donations received | - | (300) |
| Deduct gains/add losses on investments | (37,005) | (492,420) |
| Decrease/(increase) in debtors | 289 | 926 |
| (Decrease)/increase in creditors | (375) | 472 |
| Net cash used in operating activities | (154,282) | (154,009) |
| Cash flows from investing activities | | |
| Dividends and interest | 89,346 | 117,962 |
| Withdrawal from permanent endowment | 30,000 | - |
| Proceeds from investment sales, net of purchases and cash retained in portfolio | 26,616 | 145,962 |
| | 26,938 | 144,900 |
| Changes in cash and cash equivalents in the year | (8,320) | (9,109) |
| Cash and cash equivalents brought forward | 78,695 | 87,804 |
| Cash and cash equivalents carried forward | 70,375 | 78,695 |

THE JOSEPH RANK BENEVOLENT FUND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

1.1 Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) updated October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The trustees consider that there are no material uncertainties about the Fund's ability to continue as a going concern. With respect to the next reporting period, 2021, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment returns and the performance of investments.

1.2 Changes in accounting policies

There have been no changes in accounting policies.

1.3 Incoming resources

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.

Dividends are recognised at the point of receipt by the charity's investment adviser.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity.

Donations, are recognised when the Fund has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

The charity has a single permanent endowment fund, The Joseph Rank Benevolent Fund, which provides for the trustees to invest the capital in perpetuity. On 21st September 2017 the Charity Commission approved a resolution of the trustees made under Section 282 of the Charities Act 2011 to be permitted to spend capital as if it were income. The Fund is managed on a discretionary basis with a balanced, medium risk investment objective.

General funds represent the accumulation of surplus income from the permanent endowment fund, which the trustees are free to use for any purpose in furtherance of the charity's objects subject to the retention of a suitable level of reserves.

1.4 Resources expended

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.

All expenses including support costs and governance costs are applicable to the Fund's grant making activities.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Fund.

THE JOSEPH RANK BENEVOLENT FUND

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Fund does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1.6 Pensions

The Fund presently has no employees, but makes pension payments to the spouses of deceased former employees. Subject to inflationary increases, the amount of the obligations were fixed at the point the employees retired.

The payments are charged to the Statement of Financial Activities as paid.

1.7 Costs of raising funds

The costs of generating funds consist of investment management costs.

1.8 Taxation

As a registered charity, it is generally exempt from Income Tax and Capital Gains Tax, but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

1.9 Charitable activities

Costs of charitable activities include grants made, governance costs and an apportionment of support costs as shown in note 5.

2 Donations and legacies

| | Total 2020 £ | Total 2019 £ |
|---------------------|--------------------|--------------------|
| Donations and gifts | - | 300 |

THE JOSEPH RANK BENEVOLENT FUND

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Investment Income

| | 2020 £ | 2019 £ |
|--------------------------------|---------------|----------------|
| Income from listed investments | 89,333 | 117,880 |
| Interest receivable | 13 | 82 |
| | <u>89,346</u> | <u>117,962</u> |

All the investment income for both 2020 and 2019 is attributable to General Funds

4 Endowment funds withdrawn as income

In accordance with Charity Commission consent dated 21/09/2017 and under S282 Charities Act 2011, the Trustees resolved to apply £30,000 of permanent endowment capital towards the income of the charity.

5 Expenditure

| | 2020 £ | 2019 £ |
|---|----------------|----------------|
| Costs of raising funds | | |
| Investment management costs | 26,241 | 27,111 |
| Expenditure on charitable activities | | |
| Beneficiary payments | 84,010 | 84,240 |
| Support costs (note 5) | 37,945 | 38,056 |
| Total | 121,955 | 122,296 |
| Endowment funds withdrawn as income | 30,000 | - |
| Donations | 6,000 | 6,000 |
| | <u>157,955</u> | <u>128,296</u> |
| | <u>184,196</u> | <u>155,407</u> |

In both 2020 and 2019 all investment management costs are attributable to Endowment Funds as is the amount withdrawn in 2020 and treated as income. All other expenditure is attributable to General Funds.

THE JOSEPH RANK BENEVOLENT FUND

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Donations

| | 2020 £ | 2019 £ |
|--|--------------|--------------|
| Kids Yorkshire and the Humber | 750 | 600 |
| Alcohol and drugs service | - | 600 |
| Daisy HEY Medical Centre | - | 600 |
| Hull Minster | - | 600 |
| Hull YFC | - | 600 |
| Forget Me Not | - | 600 |
| St. Mary's College | - | 600 |
| Hessle Open Gateway | - | 600 |
| EMS | - | 600 |
| Sight and Support Hull & East Riding | 750 | 600 |
| CatZero Ltd | 750 | - |
| Artlink Centre | 750 | - |
| St. Mary's College / St. Anthony's Go, Grow Play | 750 | - |
| HEY Breast Friends | 750 | - |
| Teenage Cancer | 750 | - |
| Open Doors Hardship | 750 | - |
| | <u>6,000</u> | <u>6,000</u> |

7 Support costs

| | 2020 £ | 2019 £ |
|------------------------------------|---------------|---------------|
| Pensions re former employees | 7,991 | 8,206 |
| Management and administration fees | 26,000 | 26,000 |
| Governance costs | 3,954 | 3,850 |
| | <u>37,945</u> | <u>38,056</u> |

All support costs are attributable to General Funds.

Governance costs include payments to auditors of £3,240 (2019 : £3,240) for audit fees.

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, nor any travelling expenses (2019: £Nil).

9 Employees

There were no employees during the year.

Pensions totalling £7,991 (2019: £8,206) were paid to the spouses of deceased former employees.

THE JOSEPH RANK BENEVOLENT FUND

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Fixed asset Investments

| | Fixed Interest | UK Equities | Overseas Equities | Cash | Total |
|---|------------------|------------------|----------------------|---------------|------------------|
| | £ | £ | £ | £ | £ |
| Market value at 1 January 2020 | 1,117,023 | 1,531,708 | 1,192,779 | 87,333 | 3,928,843 |
| Disposals at opening book value | (392,516) | (244,284) | - | - | (636,800) |
| Acquisitions at cost | 422,842 | 67,163 | 78,675 | - | 568,680 |
| Change in value in the year | 15,911 | (109,707) | 132,461 | 9,844 | 48,509 |
| Market value at 31 December 2020 | 1,163,260 | 1,244,880 | 1,403,915 | 97,177 | 3,909,232 |
| The investment assets are held: | | | | | |
| In the UK | 806,848 | 1,244,880 | 169,488 | 97,177 | 2,318,393 |
| Outside the UK | 356,412 | - | 1,234,427 | - | 1,590,839 |
| | 1,163,260 | 1,244,880 | 1,403,915 | 97,177 | 3,909,232 |
| Historical cost: | | | | | |
| At 31 December 2020 | 1,121,770 | 729,190 | 803,439 | 97,177 | 2,751,576 |
| At 31 December 2019 | 1,129,627 | 815,064 | 743,526 | 87,333 | 2,775,550 |
| Endowment funds | 1,163,260 | 1,244,880 | 1,403,915 | 97,177 | 3,909,232 |
| General funds | - | - | - | - | - |
| | 1,163,260 | 1,244,880 | 1,403,915 | 97,177 | 3,909,232 |

At the balance sheet date all investments are held either at Rathbone Nominees Ltd. or at Bank of New York Mellon as agent of Rathbone Investment Management Ltd. and as nominee of the Joseph Rank Benevolent Fund.

THE JOSEPH RANK BENEVOLENT FUND

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

| 11 Debtors | 2020 £ | 2019 £ |
|--------------------------------|--------------|--------------|
| Other debtors | 3,605 | 3,946 |
| Prepayments and accrued income | 313 | 261 |
| | <u>3,918</u> | <u>4,207</u> |

| 12 Creditors: amounts falling due within one year | 2020 £ | 2019 £ |
|---|--------------|---------------|
| Accruals | <u>9,937</u> | <u>10,312</u> |

| 13 Analysis of net assets between funds | General funds £ | Endowment funds £ | Total £ |
|--|-----------------------|-------------------------|------------------|
| Fund balances at 31 December 2020 are represented by: | | | |
| Investments | - | 3,909,232 | 3,909,232 |
| Current assets | 58,207 | 16,086 | 74,293 |
| Creditors: amounts falling due within one year | (3,239) | (6,698) | (9,937) |
| | <u>54,968</u> | <u>3,918,620</u> | <u>3,973,588</u> |
| Unrealised gains included above: | | | |
| On investments | - | 38,665 | 38,665 |
| | <u>-</u> | <u>38,665</u> | <u>38,665</u> |
| Reconciliation of gains on investment assets: | | | |
| On disposals in the year | - | (1,660) | (1,660) |
| On the revaluation of investments held at the year end | - | 38,665 | 38,665 |
| | <u>-</u> | <u>37,005</u> | <u>37,005</u> |

The Permanent Endowment Fund represents the core capital of the Charity donated by the founder Mr. Joseph Rank. As per note 1.3 the Trustees now have the power to spend the capital of the fund as income.

The General Funds represent accumulations of surplus income.

THE JOSEPH RANK BENEVOLENT FUND

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

| | | | |
|-----------|---|-------------|-------------|
| 14 | Reconciliation of net cash flow to movement in net funds | 2020 | 2019 |
| | | £ | £ |
| | Decrease in cash | (8,320) | (9,109) |
| | Net funds at 1 January 2020 | 78,695 | 87,804 |
| | | <hr/> | <hr/> |
| | Net funds at 31 December 2020 | 70,375 | 78,695 |
| | | <hr/> | <hr/> |

15 Related parties

During the year, £26,000 (2019: £26,000) was paid to Burman Consultancy Limited, in which the Clerk to the Trustees Mrs D. Burman has an interest, for the office expenses and administering the affairs of the Charity.