

CHARITY REGISTRATION NUMBER: 230928

The Francis W Reckitt Arts Trust
Unaudited Financial Statements
30 September 2022

COVENEY NICHOLLS

Chartered accountants
The Old Wheelhouse
31/37 Church Street
Reigate
Surrey
RH2 0AD

The Francis W Reckitt Arts Trust

Financial Statements

Year ended 30 September 2022

	Page
Trustees' annual report	1
Independent examiner's report to the trustees	6
Statement of financial activities	7
Statement of financial position	8
Notes to the financial statements	9

The Francis W Reckitt Arts Trust

Trustees' Annual Report

Year ended 30 September 2022

The trustees present their report and the unaudited financial statements of the charity for the year ended 30 September 2022.

Reference and administrative details

Registered charity name The Francis W Reckitt Arts Trust

Charity registration number 230928

Principal office Hawkwood College
Painswick Old Road
Stroud
Gloucestershire
GL6 7QW
United Kingdom

The trustees

Mrs M Clark
Mr C Green (Chairman)
Mr C Cook

Secretary Mr D Stoll

Independent examiner Jeffrey Kelly FCA
The Old Wheelhouse
31/37 Church Street
Reigate
Surrey
RH2 0AD

The Francis W Reckitt Arts Trust

Trustees' Annual Report *(continued)*

Year ended 30 September 2022

Structure, governance and management

Governing Document

The charity is controlled by its governing document, a deed of trust established by Francis William Reckitt in 1929, and constitutes an unincorporated charity.

A scheme, modifying the original deed, was issued by the Charity Commission on 10 March 2016, allowing the Charity to use its funds for revised objects, cy-pres to the original ones, in supporting artists with temporary board and accommodation either at Hawkwood College or in other places of their choice.

Trustees

During this year, the Charity's Board was composed of three Trustees, who represent branches of the Arts and/or have specialised knowledge of such practical matters as Law, Administration etc.

There were three Trustee Meetings held during the year, and - as the consequences of the pandemic continued - at times one or more Trustees attended via conference call. This is permitted in our system and all meetings were quorate. The Trustees discussed the Charity's broad strategy and areas of activity; day to day management is always delegated to the Secretary. He remained in regular communication with the Chairman, and also with the Director of Hawkwood College and various professional advisors through the year.

Risk Management

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Furthermore, the unrestricted funds available to the Trust are at a sufficient level to cover administration and support costs and to respond to emergencies should they arise.

Finance

The Charity is supported by investment income from the Trust Fund established by the benefactor. The Trustees hold annual meetings with Rathbones, as investment managers for the charity, to discuss and decide ongoing investment policy. During the current crisis, there has been regular discussion regarding the best policies under changing circumstances, and Rathbones monitor the situation regularly and inform the Trust of any important matters arising.

The Francis W Reckitt Arts Trust

Trustees' Annual Report *(continued)*

Year ended 30 September 2022

Objectives and activities

Objectives and Aims

The Trust has continued, as far as possible, its activity in providing and allocating Grant finance to allow for the temporary accommodation of Artists, alone or in groups, for rest, recreation, convalescence, study, research or quiet work. Generally, the Trust has a policy of supporting Artist Residencies at Hawkwood College as its major beneficence - the Hawkwood Artists Residency Programme (HARP) - and funding the bed and board costs of Artists working or resting away from home through other established specialist Charities or paid directly to places of residence chosen by individual artists.

The strict guidelines regarding 1] professional status and 2] need for assistance remained in place throughout the changing circumstances of the year.

The Francis W Reckitt Arts Trust

Trustees' Annual Report *(continued)*

Year ended 30 September 2022

Achievements and performance

Charitable Activities

A total of £80,500 was paid out as Grants over this financial year. During the year, Hawkwood College was allocated £72,000 for the HARP programme, and £8,500 was granted to other Charities which the Trust supports in furtherance of its Aims. No individual Artists were given Grants during this period.

Since beginning its Grant giving activities in 2016, the Trust has given a total of £304,725 up to the end of September 2022. Based on the Income achieved from the Fund, the Trust distributed about 85% as Grants during this particular year.

Investment performance

Over the year to 30th September 2022 the total return after fees was -8.9%. This was rather worse than the Trust's benchmark which was 4.8% for the period, due in large part to the weakness of markets during the first part of the year.

It should be noted that much of this underperformance was driven during the first half of the financial year, where relative performance was particularly challenging. This was because lower quality areas of the market such as energy, mining and financials performed relatively strongly over this period as such companies benefited from higher interest rates and rising commodity prices, whereas high quality growth stocks were negatively impacted by such an environment. We have a bias towards the latter group of stocks due to their attractive long term growth profiles, whereas the former group of stocks are a large component of the Rathbone benchmark to which we are compared against, making it difficult to outperform the Rathbone benchmark. The numbers over the last 6 months of the period, whilst down in absolute terms, are closer to the benchmark, as a result of various changes we have made to asset allocation and stock selection.

The Trustees, having considered carefully the figures and the situation, the Trustees elected from January 2022 to increase the monthly drawdown, knowing that there is sufficient accrued income in the Fund to allow for higher levels of giving than the actual Income provides at this time. On average, the amount drawn above actual Income during the year was about 10%.

The Francis W Reckitt Arts Trust

Trustees' Annual Report *(continued)*

Year ended 30 September 2022

Financial review

Reserves policy

The unrestricted funds are at a sufficient level to cover administration and support costs and to respond to emergencies should they arise. The current level of drawdown covers all the administrative costs of the Charity, the balance being used for giving grants in accordance with the Trust's aims.

Investment policy and objectives

The Trustees have no restriction on Investment and the administration of the portfolio is delegated on a day to day basis to Rathbones in a dealing and advisory capacity. The Fund manager, on behalf of the Trustees, regularly monitors movements in the markets and makes necessary adjustments to the portfolio.

Plans for future periods

There are currently no major plans for changing the investment pattern or the level of drawdown, though the situation of the markets over the coming months will be watched carefully by Rathbones and adjustments made as necessary.

The Trustees made provision by a special drawdown, taken during this year but for use in the next, to fund a special project in the light of the needs arising for artist accommodation, and to cover special applications of merit by individual artists.

The trustees' annual report was approved on and signed on behalf of the board of trustees by:

Mr D Stoll
Secretary

The Francis W Reckitt Arts Trust

Independent Examiner's Report to the Trustees of The Francis W Reckitt Arts Trust

Year ended 30 September 2022

I report to the trustees on my examination of the financial statements of The Francis W Reckitt Arts Trust ('the charity') for the year ended 30 September 2022.

Responsibilities and basis of report

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

I report in respect of my examination of the charity's financial statements 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 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 charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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.

Jeffrey Kelly FCA

Independent Examiner

The Old Wheelhouse
31/37 Church Street
Reigate
Surrey
RH2 0AD

The Francis W Reckitt Arts Trust

Statement of Financial Activities

Year ended 30 September 2022

		2022		2021
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Investment income	4	93,818	93,818	109,922
Total income		<u>93,818</u>	<u>93,818</u>	<u>109,922</u>
Expenditure				
Expenditure on raising funds:				
Investment management costs	5	19,788	19,788	19,220
Expenditure on charitable activities	6,7	106,547	106,547	131,116
Total expenditure		<u>126,335</u>	<u>126,335</u>	<u>150,336</u>
Net losses/(gains) on investments	8	506,250	506,250	(780,208)
Net (expenditure)/income and net movement in funds		<u>(538,767)</u>	<u>(538,767)</u>	<u>739,794</u>
Reconciliation of funds				
Total funds brought forward		5,139,672	5,139,672	4,399,878
Total funds carried forward		<u>4,600,905</u>	<u>4,600,905</u>	<u>5,139,672</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 9 to 15 form part of these financial statements.

The Francis W Reckitt Arts Trust

Statement of Financial Position

30 September 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	13	567	847
Investments	14	4,507,784	4,986,007
		<u>4,508,351</u>	<u>4,986,854</u>
Current assets			
Debtors	15	48,320	53,650
Cash at bank and in hand		46,734	102,168
		<u>95,054</u>	<u>155,818</u>
Creditors: amounts falling due within one year	16	2,500	3,000
Net current assets		<u>92,554</u>	<u>152,818</u>
Total assets less current liabilities		<u>4,600,905</u>	<u>5,139,672</u>
Net assets		<u>4,600,905</u>	<u>5,139,672</u>
Funds of the charity			
Unrestricted funds		4,600,905	5,139,672
Total charity funds	17	<u>4,600,905</u>	<u>5,139,672</u>

These financial statements were approved by the board of trustees and authorised for issue on, and are signed on behalf of the board by:

Mr C Green (Chairman)
Trustee

The notes on pages 9 to 15 form part of these financial statements.

The Francis W Reckitt Arts Trust

Notes to the Financial Statements

Year ended 30 September 2022

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Hawkwood College, Painswick Old Road, Stroud, Gloucestershire, GL6 7QW, UK.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

The Francis W Reckitt Arts Trust

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

3. Accounting policies *(continued)*

Incoming resources *(continued)*

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impracticable to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.
- investment income from interest and dividends is recognised when received.

Resources expended

Costs of generating funds consist of the management costs relating to the investment portfolio. The direct costs of providing services to guests are categorised as charitable activities. Governance costs comprise the expenditure associated with strategic management and compliance with statutory requirements.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	10% straight line
-----------------------	---	-------------------

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

The Francis W Reckitt Arts Trust

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

3. Accounting policies *(continued)*

Investments *(continued)*

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

The Francis W Reckitt Arts Trust

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

4. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Income from listed investments	92,866	92,866	108,109	108,109
Bank interest receivable from deposit account	4	4	1	1
Other interest receivable	948	948	1,812	1,812
	<u>93,818</u>	<u>93,818</u>	<u>109,922</u>	<u>109,922</u>

5. Investment management costs

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Portfolio Management	19,788	19,788	19,220	19,220
	<u>19,788</u>	<u>19,788</u>	<u>19,220</u>	<u>19,220</u>

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Charitable Activities	98,834	98,834	107,119	107,119
Support costs	7,713	7,713	23,997	23,997
	<u>106,547</u>	<u>106,547</u>	<u>131,116</u>	<u>131,116</u>

7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total fund 2021 £
Charitable Activities	98,834	–	98,834	107,119
Governance costs	–	7,713	7,713	23,997
	<u>98,834</u>	<u>7,713</u>	<u>106,547</u>	<u>131,116</u>

8. Net (losses)/gains on investments

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Gains/(losses) on other investment assets	(506,250)	(506,250)	780,208	780,208
	<u>(506,250)</u>	<u>(506,250)</u>	<u>780,208</u>	<u>780,208</u>

The Francis W Reckitt Arts Trust

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

9. Net expenditure/(income)

Net expenditure/(income) is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	280	280
Foreign exchange differences	(758)	—
	<u> </u>	<u> </u>

10. Independent examination fees

	2022	2021
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	2,400	2,400
	<u> </u>	<u> </u>

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022	2021
	£	£
Wages and salaries	15,888	16,705
	<u> </u>	<u> </u>

The average head count of employees during the year was 1 (2021: 1).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

12. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

One or more trustees has claimed expenses or had their expenses met by the charity. A total of £200 (2021 - £79) was reimbursed to 1 (2021 - 1) trustee in respect of travel expenses.

13. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 October 2021 and 30 September 2022	2,804
Depreciation	
At 1 October 2021	1,957
Charge for the year	280
At 30 September 2022	<u>2,237</u>
Carrying amount	
At 30 September 2022	567
At 30 September 2021	<u>847</u>

The Francis W Reckitt Arts Trust

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

14. Investments

	Listed investments £	Other investments £	Total £
Cost or valuation			
At 1 October 2021	4,985,907	100	4,986,007
Acquisitions at cost	1,378,838	—	1,378,838
Disposals at opening book value	(1,050,284)	—	(1,050,284)
Net gains/(losses) on revaluations in the year.	(806,777)	—	(806,777)
At 30 September 2022	<u>4,507,684</u>	<u>100</u>	<u>4,507,784</u>
Impairment			
At 1 October 2021 and 30 September 2022		—	—
Carrying amount			
At 30 September 2022	<u>4,507,684</u>	<u>100</u>	<u>4,507,784</u>
At 30 September 2021	<u>4,985,907</u>	<u>100</u>	<u>4,986,007</u>

All investments shown above are held at valuation.

Financial assets held at fair value

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Of the listed investments held, £3,263,079 (2021 - £3,303,477) related to investment assets in the UK and £1,244,605 (2021 - £1,682,430) related to investment assets outside the UK.

15. Debtors

	2022 £	2021 £
Prepayments and accrued income	<u>48,320</u>	<u>53,650</u>

16. Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	<u>2,500</u>	<u>3,000</u>

The Francis W Reckitt Arts Trust

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

17. Analysis of charitable funds

Unrestricted funds

	At 1 October 20 21	Income £	Expenditure £	Gains and losses £	At 30 September 2022 £
General funds	5,139,672	93,818	(126,335)	(506,250)	4,600,905

	At 1 October 20 20	Income £	Expenditure £	Gains and losses £	At 30 September 2021 £
General funds	4,399,878	109,922	(150,336)	780,208	5,139,672

18. Related parties

There were no related party transactions during the reporting period that are required to be disclosed under FRS 102.