

CHARITY REGISTRATION NUMBER: 230928

The Francis W Reckitt Arts Trust
Unaudited Financial Statements
30 September 2023

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 2023

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The Francis W Reckitt Arts Trust

Trustees' Annual Report

Year ended 30 September 2023

The trustees present their report and the unaudited financial statements of the charity for the year ended 30 September 2023.

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
Mr I Archer (Appointed 13 April 2023)

Company 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 2023

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. A new Trustee was appointed, Mr Ian Archer, in April 2023.

There were three Trustee Meetings held during the year, two of which were conducted 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 continue to ensure that any necessary steps can be taken to lessen these risks. The Chairman and Secretary made a full investigation of procedures in the spring and summer of 2023 and the results were written up in a new Administration Handbook for reference.

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 2023

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 2023

Achievements and performance

Charitable Activities

A total of £108,000 was paid out as Grants over this financial year. During the year, Hawkwood College was allocated £105,000 for the HARP programme, and £3,000 was paid to another Charity which the Trust supports in furtherance of its Aims. No individual Artists were given Grants during this period, though some Grants were awarded at Meetings for allocation in the next year.

Based on the Income achieved from the Fund, the Trust distributed about 93.5% as Grants during the year 2022-23, much of the cost of administration being otherwise covered by the surplus carried forward in the Trust's Bank Savings Account.

Since beginning its Grant giving activities in 2016, the Trust has given a total of over £560,000 in Grants of various kinds, all in line with its declared aims.

Investment performance

Over the year to 30th September 2023, the total return of the Trust after fees was +7.9%, measured against the Rathbones Risk Level 5 Total Return Benchmark, which increased by +11.2%. However, the ARC Charity Equity Risk Index, which represents the average return of similar charity accounts across various investment managers, returned +6.0% over the same period. Considering a generally difficult economic and geopolitical environment, the Trust performed well in absolute terms over the year.

There are three main reasons behind the Trust's relative underperformance: 1] the requirement to generate Income inclines Rathbones to invest in UK companies with higher dividends, and the UK market was lagging in performance relative to these international holdings; 2] a significant proportion of the gains in the benchmark holdings were in higher risk technology firms, which Rathbones doesn't consider suitable within the Trust's remit; and 3] Rathbones has positioned the Trust's holdings rather more cautiously in order to shield it in the event of the market's weakening again as the current uncertainties continue.

The Trustees, having carefully considered the figures and the situation, elected in August 2023 to increase the monthly drawdown from £9,000 to £9,500. During the reporting period, the fund yielded an annual income of £115,432. This was sufficient to cover the total drawdowns of £109,000.

The Francis W Reckitt Arts Trust

Trustees' Annual Report *(continued)*

Year ended 30 September 2023

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 level of drawdown during the year covered 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 over the coming year, though the situation of the markets will be watched carefully by Rathbones and adjustments made as necessary.

The Trustees are planning to use a small portion of unrestricted funds to cover drawdowns at slightly over the rate of estimated Income for a few months. This is in order to help support its charitable aims at this particularly difficult time for Artists. The policy will be reviewed towards the end of the 2023-24 period.

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

Mr D Stoll
Charity 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 2023

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 2023.

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 2023

		2023		2022
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Investment income	4	115,557	115,557	93,818
Total income		<u>115,557</u>	<u>115,557</u>	<u>93,818</u>
Expenditure				
Expenditure on raising funds:				
Investment management costs	5	18,279	18,279	19,788
Expenditure on charitable activities	6,7	140,418	140,418	106,547
Total expenditure		<u>158,697</u>	<u>158,697</u>	<u>126,335</u>
Net gains/(losses) on investments	8	(282,095)	(282,095)	506,250
Net income/(expenditure) and net movement in funds		<u>238,955</u>	<u>238,955</u>	<u>(538,767)</u>
Reconciliation of funds				
Total funds brought forward		4,600,905	4,600,905	5,139,672
Total funds carried forward		<u>4,839,860</u>	<u>4,839,860</u>	<u>4,600,905</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 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	12	374	567
Investments	13	4,763,044	4,507,784
		<u>4,763,418</u>	<u>4,508,351</u>
Current assets			
Debtors	14	43,286	48,320
Cash at bank and in hand		37,956	46,734
		<u>81,242</u>	<u>95,054</u>
Creditors: amounts falling due within one year	15	<u>4,800</u>	<u>2,500</u>
Net current assets		<u>76,442</u>	<u>92,554</u>
Total assets less current liabilities		<u>4,839,860</u>	<u>4,600,905</u>
Net assets		<u>4,839,860</u>	<u>4,600,905</u>
Funds of the charity			
Unrestricted funds		<u>4,839,860</u>	<u>4,600,905</u>
Total charity funds	16	<u>4,839,860</u>	<u>4,600,905</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 2023

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 2023

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 2023

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 2023

4. Investment income

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Income from listed investments	100,660	100,660	92,866	92,866
Bank interest receivable from deposit account	125	125	4	4
Other interest receivable	14,772	14,772	948	948
	<u>115,557</u>	<u>115,557</u>	<u>93,818</u>	<u>93,818</u>

5. Investment management costs

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Portfolio Management	<u>18,279</u>	<u>18,279</u>	<u>19,788</u>	<u>19,788</u>

6. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Charitable Activities	131,808	131,808	98,834	98,834
Support costs	<u>8,610</u>	<u>8,610</u>	<u>7,713</u>	<u>7,713</u>
	<u>140,418</u>	<u>140,418</u>	<u>106,547</u>	<u>106,547</u>

7. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2023	Total fund 2022
	£	£	£	£
Charitable Activities	131,808	–	131,808	98,834
Governance costs	<u>–</u>	<u>8,610</u>	<u>8,610</u>	<u>7,713</u>
	<u>131,808</u>	<u>8,610</u>	<u>140,418</u>	<u>106,547</u>

8. Net gains/(losses) on investments

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Gains/(losses) on other investment assets	<u>282,095</u>	<u>282,095</u>	<u>(506,250)</u>	<u>(506,250)</u>

The Francis W Reckitt Arts Trust

Notes to the Financial Statements *(continued)*

Year ended 30 September 2023

9. Net income/(expenditure)

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

	2023	2022
	£	£
Depreciation of tangible fixed assets	193	280
Foreign exchange differences	—	(758)
	<u> </u>	<u> </u>

10. Staff costs

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

	2023	2022
	£	£
Wages and salaries	<u>16,918</u>	<u>15,888</u>

The average head count of employees during the year was 1 (2022: 1).

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

11. 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 £286 (2022 - £200) was reimbursed to 1 (2022 - 1) trustee in respect of travel expenses and a total of £575 in consultancy fees was paid to 1 trustee.

12. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 October 2022 and 30 September 2023	<u>2,804</u>
Depreciation	
At 1 October 2022	2,237
Charge for the year	193
At 30 September 2023	<u>2,430</u>
Carrying amount	
At 30 September 2023	<u>374</u>
At 30 September 2022	<u>567</u>

The Francis W Reckitt Arts Trust

Notes to the Financial Statements *(continued)*

Year ended 30 September 2023

13. Investments

	Listed investments £	Other investments £	Total £
Cost or valuation			
At 1 October 2022	4,507,684	100	4,507,784
Acquisitions at cost	1,047,128	—	1,047,128
Disposals at opening book value	(735,178)	—	(735,178)
Net gains/(losses) on revaluations in the year.	(56,690)	—	(56,690)
At 30 September 2023	<u>4,762,944</u>	<u>100</u>	<u>4,763,044</u>
Impairment			
At 1 October 2022 and 30 September 2023		—	—
Carrying amount			
At 30 September 2023	<u>4,762,944</u>	<u>100</u>	<u>4,763,044</u>
At 30 September 2022	<u>4,507,684</u>	<u>100</u>	<u>4,507,784</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, £2,832,455 (2022 - £3,263,079) related to investment assets in the UK and £1,930,489 (2022 - £1,244,605) related to investment assets outside the UK.

14. Debtors

	2023 £	2022 £
Prepayments and accrued income	<u>43,286</u>	<u>48,320</u>

15. Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	<u>4,800</u>	<u>2,500</u>

The Francis W Reckitt Arts Trust

Notes to the Financial Statements *(continued)*

Year ended 30 September 2023

16. Analysis of charitable funds

Unrestricted funds

	At 1 October 20 22	Income £	Expenditure £	Gains and losses £	At 30 September r 2023 £
General funds	<u>4,600,905</u>	<u>115,557</u>	<u>(158,697)</u>	<u>282,095</u>	<u>4,839,860</u>

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

17. Related parties

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