

THE PILLING TRUST FUND

England & Wales · Charity number 241812

Details

Other names	THE JOHN PILLING TRUST
Status	Registered
Legal form	Other
Registered	1965-06-15
Register	View on the Charity Commission register

Contact

Address	Suite 16b The Beehive Lions Drive Blackburn Lancashire
Phone	01254686600
Email	will.campbell@beeverstruthers.co.uk

Activities

Objects: THE ADVANCEMENT OF THE RELIGIOUS BELIEF OF THE CHURCH OF ENGLAND THROUGH THE MAINTENANCE OF THE MUSICAL SIDE OF CHURCH SERVICES. THE ADVANCEMENT OF EDUCATION.

Activities: The charity awards grants to churches within the Anglican communion and other institutions in order to further its objectives.

Classification

- **How:** Makes Grants To Organisations
- **What:** Education/training, Religious Activities
- **Who:** Other Charities Or Voluntary Bodies

Geography

- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-04-05	£350,749	£184,848	-	-
2024-04-05	£376,148	£195,348	-	-
2023-04-05	£321,724	£238,823	-	-
2022-04-05	£314,901	£232,722	-	-
2021-04-05	£307,802	£288,172	-	-

Trustees

Name	Role	Appointed
JOHN MARTIN SUTCLIFFE	Chair	
ANDREW JAMES PALMER		2009-11-12
ANNE MELINDA ELDER		
Dr Maximillian Elliott		2021-11-11
PROFESSOR IAN GRAHAM TRACEY		2011-03-31
Rev PETER HOWELL-JONES		2015-11-05
THOMAS JAMES BELL		2026-03-08

THE PILLING TRUST FUND

England & Wales - Charity number 241812

Accounts

THE PILLING TRUST FUND
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2025

Charity Commission Reference Number 241812

**THE PILLING TRUST FUND
TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2025**

LEGAL AND ADMINISTRATIVE DETAILS

Principal Office:	Suite 16b Beehive Lions Drive Shadsworth Business Park Blackburn BB1 2QS
Charity Number:	241812
Trustees:	Mr J M Sutcliffe (Chairman) Mrs A M Elder Dr S G Lindley The Very Reverend P Howell-Jones Mr A J Palmer Professor I Tracey Mr M Elliott
Bankers:	Handelsbanken 1 st Floor, Wallander House, Capricorn Bus Park, Blakewater Road, Blackburn, BB1 5QR
Investment Manager:	Investec Wealth & Investment The Plaza, 100 Hall Street, Liverpool, L3 9AB
Solicitors:	DWF LLP, 1 Scott Place, 2 Hardman Street Manchester, M3 3AA
Custodian:	Investec Wealth & Investment
Auditors:	MHA Chartered Accountants 9 Winckley Square, Preston, PR1 3HP
Secretary:	Mrs H Binns, Suite 16b, Beehive, Lions Drive, Shadsworth Business Park, Blackburn, BB1 2QS

THE PILLING TRUST FUND TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2025

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland effective October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust

The trust, commonly known as the John Pilling Trust, was set up in 1957 by John and Margaret Pilling, principally for the purpose of assisting Anglican churches to maintain good music in their services. The trust is a registered charity and the trust deed is dated 10 May 1957.

John Pilling died in 1996 and bequeathed the bulk of his estate to the trust. It is this bequest which accounts for virtually the whole trust fund. As trustees, we have regard to what we believe would be John Pilling's wishes when exercising our discretion. We do not carry out any fundraising.

The Trustees

The Trustees are listed on Page 1. All served throughout the year. We receive no remuneration, but we do receive some expenses; see Note 3.

We usually meet twice a year to deal with grant applications and to receive a report from our fund managers.

The trust deed prescribes that there must be at least two trustees but not more than seven. New trustees are appointed by existing trustees who periodically assess what skills and experience are needed to maintain an appropriate balance.

New trustees receive an induction pack with a copy of the trust deed, recent accounts and minutes. They are also given a copy of the Charity Commission's guidance 'The Essential Trustee – What you need to know' (CC3).

Administration

Routine administration is in the hands of the Secretary. See Page 1 and also 'Applying for a Grant' below.

Risk Management

We assess the major risks to which the charity is exposed, and we have suitable controls to mitigate them. The principal risk faced by the charity lies in the performance of investments. This is mitigated by retaining expert investment managers and having a diversified investment portfolio.

OBJECTIVES – GRANT MAKING – PUBLIC BENEFIT

Objectives

The objectives of the trust are set out in the trust deed.

- (i) to advance the religious beliefs of the Church of England together with the maintenance of the musical side of church services; 'Church' includes Churches, Chapels, Collegiate Churches and Cathedrals of the Anglican Communion, and
- (ii) the advancement of education.

THE PILLING TRUST FUND TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2025

Grant Making

To promote these objectives, we usually make grants at our discretion to churches in need of funds for their church organs or their choirs. We also make grants to bodies training young organists.

The grants agreed during the year are listed in note 3. They amounted to £104,085 (2024: £119,237). Outstanding offers at the year-end were £74,500 (2024: £89,000).

Our grants are usually paid only when the applicant is committed to their proposal. We can then be satisfied that the money will be spent on promoting the objectives of the trust.

There are vastly more potential applicants for a grant than we could accede to. So, to reduce the number of unsuccessful applications we decided not, for the time being, to accept applications from churches in the Province of Canterbury.

Applying for a Grant

Anyone wanting more information or wishing to make an application should get in touch with Charlotte Kay. Her address is on Page 1, phone number is 03330 910411, email: ckay@beeverstruthers.co.uk

Fundraising

The Charity does not do any fundraising activities.

Public Benefit

There are many thousands of churches in the Church of England as well as elsewhere in the Anglican Communion. Generally, these churches set out to welcome and serve their whole communities and not just committed Anglicans. Good music is often vital for their mission. Good church music means having good musicians and, especially, good organists. They need appropriate education and training.

We confirm that we have referred to the guidance contained on the Charity Commission website in relation to charitable purposes and public benefit when reviewing our aims and objectives and in setting our grant making policy for the year.

FINANCE

Results for the year :-

Total income exceeded expenditure, prior to net gains/(losses) on investments, by £165,901 (2024: £180,800).

Total income exceeded expenditure, post net gains/(losses) on investments, by £3,451 (2024: £827,618).

Revaluation and disposal of investments resulted in a loss of £162,450 in the year compared to a gain of £646,818 in the previous year. This is analysed as a realised gain of £213,764 and an unrealised loss of £376,214.

THE PILLING TRUST FUND TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2025

INVESTMENTS AND RESERVES

Policy

We have wide investment powers. We maintain a substantial sum on deposit for our short-term needs. We have appointed managers with delegated powers to invest the balance with nominees to hold the investments. See the list on page 1.

The managers are to invest their portfolio in securities quoted on a recognised stock exchange. Their objective is to produce a total return in line with the MSCI WMA Balanced benchmark total return. The portfolio is to be invested mainly in equities including overseas equities.

We do not have a policy on socially responsible investing, preferring to rely on the good judgement of the managers.

Performance

For the financial year 5th April 2024 to 5th April 2025 the Pilling Trust capital valuation appreciated 0.092% from £13,053,395 to £13,172,992 (including cash balances). The income yield on the portfolio was 2.5% or £326,552. Interest received from the balance held at COIF was £24,196, a return of about 4.5% on a balance of £476,000.

Market Overview

Global equity markets have delivered strong returns this year, supported by resilient macroeconomic conditions and easing monetary policy. While valuations—particularly in the U.S.—remain historically elevated, the backdrop for risk assets continues to be constructive. In 2026, we expect dovish central banks and falling interest rates to provide further support to markets. At the same time, global investment in technology, defence, and infrastructure should inject momentum into the current market cycle, reinforcing structural growth themes.

Economic Outlook

Global growth is moderating but remains broadly resilient. This resilience is underpinned by innovation-led capital expenditure and policies aimed at strategic autonomy, particularly in areas such as energy security and supply-chain diversification. Inflation risks persist, driven by pro-cyclical fiscal policies, ongoing supply-chain reconfiguration, and challenges associated with the energy transition. These dynamics suggest that while headline inflation is trending lower, price pressures may remain sticky in certain sectors.

Corporate Earnings and Valuations

Despite concerns over valuations, corporate earnings have been exceptional. In the U.S., third-quarter S&P 500 earnings rose approximately 11% year-on-year, comfortably beating earlier forecasts of 8%. Technology continues to lead the way, but strength has also been evident in financials and consumer discretionary sectors. U.S. mega-cap technology firms posted earnings growth of around 30% year-on-year, driven by robust demand for AI infrastructure and cloud services. This earnings momentum has helped justify elevated valuations, though concentration risk in a handful of large technology names remains a consideration.

Reserves Policy

We consider that the demand for grants will continue indefinitely. Though we can and do spend capital as well as income, we consider the fund at £13,425,738 (2024: £13,417,787) being the amount not earmarked for a specific purpose, to be satisfactory. We do not propose to raise more funds.

**THE PILLING TRUST FUND
TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2025**

Trustees' Responsibilities Statement

The Trustees are responsible for preparing the Trustee's Report and the financial statements 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 financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources of the trust for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the 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 financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the trust, and enable them to ensure that the financial statements 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

We have appointed MHA Chartered Accountants as auditors of the trust.

Approved by the trustees on April 3, 2026 and signed on their behalf by:

Mr Sutcliffe

J M Sutcliffe

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PILLING TRUST FUND

Opinion

We have audited the financial statements of The Pilling Trust Fund (the 'charity') for the year ended 5 April 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow 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 FRS 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 5 April 2025, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- 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 and Ireland) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of 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 FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PILLING TRUST FUND

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 require 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' Annual Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of 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 which give a true and fair view, and for such internal control as the trustees 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 concerns 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.

Auditors responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;
- Enquires with management about any known or suspected instances of fraud;
- Review of minutes of board meetings;
- Auditing the risk of fraud in revenue, including through the testing of income cut off at the period end and through income transaction testing to provide comfort that revenue is completely stated in the financial statements; and
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PILLING TRUST FUND

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA

MHA

Chartered Accountants and Statutory Auditor

9 Winckley Square
Preston
Lancashire
PR1 3HP

Date: April 8, 2026

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

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

**THE PILLING TRUST FUND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2025**

	Notes	2025 Unrestricted £	2024 Unrestricted £
Income:			
Investment income	2	350,749	376,148
Total Income		<u>350,749</u>	<u>376,148</u>
Expenditure:			
Charitable activities:			
Support of church and organ music	3	128,794	142,687
Other			
Investment management costs	4	56,054	52,661
Total expenditure		<u>184,848</u>	<u>195,348</u>
Net incoming/(outgoing) resources before other recognised gains and losses on investments		165,901	180,800
Realised and unrealised gains/(losses) on investment assets	5	(162,450)	646,818
Net movements in funds		3,451	827,618
Fund balances brought forward – 6 April 2024		13,506,787	12,679,169
Fund balances carried forward – 5 April 2025		<u>13,510,238</u>	<u>13,506,787</u>

The notes on pages 12 to 18 form an integral part of these accounts

**THE PILLING TRUST FUND
BALANCE SHEET AS AT 5 APRIL 2025**

	Notes	£	2025	£	£	2024	£
FIXED ASSETS							
Investments	5		12,588,009			12,919,967	
CURRENT ASSETS							
Short term deposits		1,061,963			586,211		
Cash at bank		11,292			230,650		
		<u>1,073,255</u>			<u>816,861</u>		
CREDITORS: Amounts falling due within one year	6	(94,626)			(115,841)		
NET CURRENT ASSETS			978,629			701,020	
CREDITORS: Amounts falling due after more than one year	7		(56,400)			(114,200)	
			<u>13,510,238</u>			<u>13,506,787</u>	
FUNDS							
General unrestricted income fund	9		<u>13,510,238</u>			<u>13,506,787</u>	

Approved by the trustees on April 3, 2026 and signed on their behalf by:

Mr Sutcliffe
.....
Mr J M Sutcliffe

The notes on pages 12 to 18 form an integral part of these accounts

**THE PILLING TRUST FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 5 APRIL 2025**

	2025	2024
	£	£
Cash flows from operating activities:		
Net income/(expenditure) for the year	3,451	827,618
Adjustments for:		
Increase/(decrease) in creditors	(79,015)	(66,057)
(Gains)/losses on investments	162,450	(648,184)
Net cash provided by / (used by) operating activities	86,886	113,377
Cash flows from investing activities:		
Disposal of investments	4,487,533	2,879,429
Purchase of investments	(4,318,025)	(3,266,396)
Net cash (used in) / provided by investing activities	169,508	(386,967)
Change in cash, and cash equivalents in the reporting period	256,394	(273,590)
Cash and cash equivalents at the beginning of the reporting period	816,861	1,090,451
Cash and cash equivalents at the end of the reporting period	1,073,255	816,861

The notes on pages 12 to 18 form an integral part of these accounts

THE PILLING TRUST FUND

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2025

1. Accounting policies

Basis of accounting

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) issued in October 2019 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to give a 'true and fair' view. This departure has involved following 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) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value and in compliance with applicable Accounting Standards.

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

Income

Investment income is recognised when its receipt is probable, and the amount can be measured reliably.

Donations and legacies are accounted for when receipt is probable, and its amount can be measured reliably.

Other income is accounted for on an accruals basis.

Income includes income tax recoverable.

Expenditure and irrecoverable VAT

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the trust to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the trust. The grants are accounted for once the offer has been accepted and all the obligations under the offer complied with.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Other costs

Other costs consist of investment management fees.

THE PILLING TRUST FUND

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2025

Other expenditure

Support costs comprise non-direct costs of the charity and are allocated between cost of raising funds and expenditure on charitable activities.

Included within support costs are all governance costs involving the public accountability of the trust and its compliance with regulation and good practice.

Taxation

As a registered charity, the trust is generally exempt from Income Tax and Capital Gains Tax, but not from VAT.

Fixed Asset 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 mid-market closing prices. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust 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.

Realised Gains and Losses

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 opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the carrying value at the year end and opening market value (or purchase date if later).

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Funds structure

Unrestricted funds

Unrestricted funds represent investment income and other income generated for the objects of the trust without further specific purposes and are available as general funds.

Designated funds

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Trustees there are no critical accounting judgements and key sources of estimation and uncertainty.

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2025

2. Investment income	2025	2024
	£	£
Income from listed UK investments	190,505	235,083
Income from listed non-UK investments	113,215	113,043
Interest receivable	<u>47,029</u>	<u>28,022</u>
	<u>350,749</u>	<u>376,148</u>

3. Charitable activities	2025	2024
	£	£
Direct Charitable Expenditure		
Grants Awarded (see below)	104,085	119,237
Support Cost		
Accountancy and Trust administration	20,992	20,150
Governance costs - audit	<u>3,717</u>	<u>3,300</u>
	<u>128,794</u>	<u>142,687</u>

The following grants were agreed during the year. They were all for purposes within the objects of the trust as set out on page 2. The grants to churches were for the purpose of helping them to maintain or achieve good standards of church music - whether by assisting them with choir costs or with the cost of a suitable instrument. Grants to other institutions were for assisting in the education of young organists.

	2025
<i>Spread over multiple years</i>	
Blackburn Cathedral Trust overstated	(4,000)
St Mary The Virgin, Liverpool (spread over 5 years 2025-29)	13,500
Liverpool Cathedral (spread over 3 years 2025-2027)	3,000
Holy & Undivided Trinity of Carlisle (spread over 2 years 2025-26)	5,000

<i>Single Payments</i>	
St Anne's, Stanley	5,000
St Mary's Pembroke	4,000
St Matthew's PCC, Newcastle	1,500
Holy Trinity Church, Heworth	3,785
St Peter's Church, Finswaite	5,000
Newcastle Cathedral	50,000
Northern Ireland International Comp	4,800
YOST	5,000
Holy Trinity Church Choir, Southport	2,000
Parochial Church Council of Linton	2,000
St Gabriel's PCC, Huyton	<u>3,500</u>
	<u>104,085</u>

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2025

3. Charitable activities (continued)

Support costs represent amounts paid to the administrators in respect of accountancy and administering the charity of £20,502 (2024: £19,135), audit fees of £3,717 (2024: £3,300), trustees expenses of £466 (2024: £984) and bank charges of £24 (2024: £31). None of the trustees received any remuneration from the trust.

4. Investment management costs	2025 £	2024 £
Investment manager's and custodian's fees	56,054	52,661

5. Fixed Asset Investments

	2025 £	2024 £
Market value at 6 April 2024	12,919,967	11,884,816
Additions at cost	4,318,025	3,266,396
Disposals	(4,487,533)	(2,879,429)
Realised gain/(loss)	213,764	100,392
Unrealised gain/(loss)	(376,214)	547,792
Market value as at 5 April 2025	12,588,009	12,919,967
Historic cost as at 5 April 2025	11,573,555	11,529,297

The market value of investments is made up as follows: -

	2025 £	2024 £
UK investments listed on a recognised stock exchange	7,400,123	7,313,526
Non-UK investments listed on recognised stock exchanges	5,187,886	5,606,441
	12,588,009	12,919,967

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2025

5. Fixed Asset Investments (continued)

The investments consist of equities, unit trusts and fixed interest investments. There are no investments which represent more than 5% of the fund's investment portfolio.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Due to 'quantitative easing' and market sentiment favouring lower risk investments, the yield on bonds has been abnormally low giving rise to a significant downside risk of a fall in capital values when interest rates return to normal levels. Although rising interest rates resulting from a stronger economy and improved economic activity should be indicative of improving dividend yields and equity values, there is a concern that the abnormal availability of 'cheap money' to the banking sector has led to wider over-valuation of traded assets (an 'asset bubble') that may depress equity values once economic conditions ease. The Trust is reliant on dividend yield in part to finance its work and this leads to a greater exposure to international companies, the values of which, together with their yield are exposed to exchange rate risk when converting the holdings into sterling. The outlook for the sterling exchange rate is that it is anticipated to weaken as European, US and Asian economies strengthen. A weakening in the exchange rate will improve sterling returns from foreign currency denominated holdings.

The default rate on fixed interest securities due to corporate failures is expected to improve with a strengthening economy. The high current demand for high quality corporate bond and government stock continues to depress the yield.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The Trust's investments are mainly traded in markets with good liquidity and high trading volumes. The Trust has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Trust manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Trust does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield, total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2025

6. Creditors: Amounts falling due within one year	2025	2024
	£	£
Accruals	21,826	29,941
Grants agreed and payable by instalments	72,800	85,900
	<u>94,626</u>	<u>115,841</u>

7. Creditors: Amounts falling due after more than one year	2025	2024
	£	£
Grants agreed and payable by instalments	<u>56,400</u>	<u>114,200</u>

8. Contingent Liabilities

At the year-end grants offered by the trust totalling £74,500 (2024: £89,000) were under consideration by the offerees or the offerees had accepted them but the obligations under the offer had still to be complied with.

9. Funds – Unrestricted income fund

	Funds 6				Gains &	Funds 5
	April 2024	Income	Expenditure	Transfers	(losses)	April 2025
	£	£	£	£	£	£
Designated funds	89,000	-	(14,500)	-	-	74,500
Undesignated funds	13,417,787	350,749	(170,348)	-	(162,450)	13,435,738
	<u>13,506,787</u>	<u>350,749</u>	<u>(184,848)</u>	<u>-</u>	<u>(162,450)</u>	<u>13,510,238</u>

The designated funds represent the grants that have been offered but as yet not claimed at the year end.

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2025

11. Analysis of assets and liabilities between funds

	Unrestricted funds		
	Designated funds	Undesignated funds	Total
	£	£	£
Investments	-	12,588,009	12,588,009
Current assets:			
- Short term deposits	74,500	987,463	1,061,963
- Cash at bank	-	11,292	11,292
Creditors	-	(151,026)	(151,026)
	<u>74,500</u>	<u>13,435,738</u>	<u>13,510,238</u>
	<u><u>74,500</u></u>	<u><u>13,435,738</u></u>	<u><u>13,510,238</u></u>

12. Post balance sheet events

The market value of the investments managed by Investec Wealth & Management was £13,172,991 at 5 April 2025, comprising of investments of £12,588,009 and cash held on deposit of £584,982. At 30 September 2025 the market value was £14,597,114, comprising of investments of £14,510,866 and cash held on deposit of £86,248.

13. Related Party Transactions

Max Elliott declared an interest in application 1856, 1866 and 1867.

Ian Tracey declared an interest in application 1850.

None of the Trustees received any remuneration from the Trust.

Fees invoiced by Beevers and Struthers Accountants for accountancy and trust administration of £20,502 (2024: £18,895) were payable in the year.

THE PILLING TRUST FUND

England & Wales - Charity number 241812

Accounts

**THE PILLING TRUST FUND
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2024**

Charity Commission Reference Number 241812

**THE PILLING TRUST FUND
TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2024**

LEGAL AND ADMINISTRATIVE DETAILS

Principal Office:	Suite 9b Beehive Lions Drive Shadsworth Business Park Blackburn BB1 2QS
Charity Number:	241812
Trustees:	Mr J M Sutcliffe (Chairman) Mrs A M Elder Dr S G Lindley The Very Reverend P Howell-Jones Mr A J Palmer Professor I Tracey Mr M Elliott
Bankers:	Handelsbanken 1 st Floor, Wallander House, Capricorn Bus Park, Blakewater Road, Blackburn, BB1 5QR
Investment Manager:	Investec Wealth & Investment The Plaza, 100 Hall Street, Liverpool, L3 9AB
Solicitors:	DWF LLP, 1 Scott Place, 2 Hardman Street Manchester, M3 3AA
Custodian:	Investec Wealth & Investment
Auditors:	MHA 9 Winckley Square, Preston, PR1 3HP
Secretary:	Mrs H Binns, Suite 9b, Beehive, Lions Drive, Shadsworth Business Park, Blackburn, BB1 2QS

THE PILLING TRUST FUND TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2024

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland effective October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust

The trust, commonly known as the John Pilling Trust, was set up in 1957 by John and Margaret Pilling, principally for the purpose of assisting Anglican churches to maintain good music in their services. The trust is a registered charity, and the trust deed is dated 10 May 1957.

John Pilling died in 1996 and bequeathed the bulk of his estate to the trust. It is this bequest which accounts for virtually the whole trust fund. As trustees, we have regard to what we believe would be John Pilling's wishes when exercising our discretion. We do not carry out any fundraising.

The Trustees

The Trustees are listed on Page 1. All served throughout the year. We receive no remuneration, but we do receive some expenses; see Note 3.

We usually meet twice a year to deal with grant applications and to receive a report from our fund managers.

The trust deed prescribes that there must be at least two trustees but not more than seven. New trustees are appointed by existing trustees who periodically assess what skills and experience are needed to maintain an appropriate balance.

New trustees receive an induction pack with a copy of the trust deed, recent accounts and minutes. They are also given a copy of the Charity Commission's guidance 'The Essential Trustee – What you need to know' (CC3).

Administration

Routine administration is in the hands of the Secretary. See Page 1 and also 'Applying for a Grant' below.

Risk Management

We assess the major risks to which the charity is exposed, and we have suitable controls to mitigate them. The principal risk faced by the charity lies in the performance of investments. This is mitigated by retaining expert investment managers and having a diversified investment portfolio.

OBJECTIVES – GRANT MAKING – PUBLIC BENEFIT

Objectives

The objectives of the trust are set out in the trust deed.

- (i) to advance the religious beliefs of the Church of England together with the maintenance of the musical side of church services; 'Church' includes Churches, Chapels, Collegiate Churches and Cathedrals of the Anglican Communion, and
- (ii) the advancement of education.

THE PILLING TRUST FUND TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2024

Grant Making

To promote these objectives, we usually make grants at our discretion to churches in need of funds for their church organs or their choirs. We also make grants to bodies training young organists.

The grants agreed during the year are listed in note 3. They amounted to £119,237 (2023: £160,846). Outstanding offers at the yearend were £89,000 (2023: £84,920).

Our grants are usually paid only when the applicant is committed to their proposal. We can then be satisfied that the money will be spent on promoting the objectives of the trust.

There are vastly more potential applicants for a grant than we could accede to. So, to reduce the number of unsuccessful applications we decided not, for the time being, to accept applications from churches in the Province of Canterbury.

Applying for a Grant

Anyone wanting more information or wishing to make an application should get in touch with Charlotte Kay. Her address is on Page 1, phone number is 03330 910411, email: ckay@beeverstruthers.co.uk

Fundraising

The Charity does not do any fundraising activities.

Public Benefit

There are many thousands of churches in the Church of England as well as elsewhere in the Anglican Communion. Generally, these churches set out to welcome and serve their whole communities and not just committed Anglicans. Good music is often vital for their mission. Good church music means having good musicians and, especially, good organists. They need appropriate education and training.

We confirm that we have referred to the guidance contained on the Charity Commission website in relation to charitable purposes and public benefit when reviewing our aims and objectives and in setting our grant making policy for the year.

FINANCE

Results for the year :-

Total income exceeded expenditure, prior to net gains/(losses) on investments, by £180,800 (2023: £85,901).

Total income exceeded expenditure, post net gains/(losses) on investments, by £827,618 (2023: total expenditure exceeded income, post net gains/(losses) on investments, by £588,793).

Revaluation and disposal of investments resulted in a gain of £648,184 in the year compared to a loss of £670,208 in the previous year. This is analysed as a realised gain of £100,392 and an unrealised gain of £547,792.

THE PILLING TRUST FUND TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2024

INVESTMENTS AND RESERVES

Policy

We have wide investment powers. We maintain a substantial sum on deposit for our short-term needs. We have appointed managers with delegated powers to invest the balance with nominees to hold the investments. See the list on page 1.

The managers are to invest their portfolio in securities quoted on a recognised stock exchange. Their objective is to produce a total return in line with the MSCI WMA Balanced benchmark total return. The portfolio is to be invested mainly in equities including overseas equities.

We do not have a policy on socially responsible investing, preferring to rely on the good judgement of the managers.

Performance

For the financial year 5th April 2023 to 5th April 2024 the Pilling Trust capital valuation appreciated 8.05% from £12,452,496 to £13,053,395. The income yield on the portfolio was 2.60% or about £338,738.

(Geo)political risks and the indebtedness of western governments were the key structural concerns throughout the year, but to a greater or lesser degree they were manageable, and equity markets showed steady returns whilst the yield returns from fixed interest investments were attractive compared to those post Global Financial Crisis. Undue attention to those risks could have cost investors a lot of return in recent years. More cyclically, the path of inflation was a key determinant of short-term outcomes and defined central bank policy. This was especially the case in the US in the run up to the election. We continue to maintain a quality bias in our investments for the Pilling Trust, especially in terms of balance sheet strength and access to liquidity.

Reserves Policy

We consider that the demand for grants will continue indefinitely. Though we can and do spend capital as well as income, we consider the fund at £13,417,787 (2023: £12,594,249) being the amount not earmarked for a specific purpose, to be satisfactory. We do not propose to raise more funds.

**THE PILLING TRUST FUND
TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2024**

Trustees' Responsibilities Statement

The Trustees are responsible for preparing the Trustee's Report and the financial statements 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 financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources of the trust for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the 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 financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the trust, and enable them to ensure that the financial statements 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

We have appointed MHA as auditors of the trust.

Approved by the trustees on February 3, 2025 and signed on their behalf by:

Mr Sutcliffe

J M Sutcliffe

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PILLING TRUST FUND

Opinion

We have audited the financial statements of The Pilling Trust Fund (the 'charity') for the year ended 5 April 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow 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 FRS 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 5 April 2024, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- 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 and Ireland) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of 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 FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PILLING TRUST FUND

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 require 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' Annual Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of 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 which give a true and fair view, and for such internal control as the trustees 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 concerns 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.

Auditors responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Reviewing board minutes.
- Auditing the risk management override of controls, including through testing journal entries and other adjustments for appropriateness.
- Agreeing income to supporting documentation.
- Enquiries with management about any known or suspected incidents on non-compliance with regulations and fraud.
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to fixed asset investments.

**INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE PILLING TRUST FUND**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA

MHA
Statutory auditor,
9 Winckley Square
Preston
Lancashire
PR1 3HP

Date: February 5, 2025
Date:

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

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

**THE PILLING TRUST FUND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2024**

	Notes	2024 Unrestricted £	2023 Unrestricted £
Income:			
Investment income	2	376,148	321,724
Total Income		376,148	321,724
Expenditure:			
Charitable activities:			
Support of church and organ music	3	142,687	184,565
Other			
Investment management costs	4	52,661	51,258
Total expenditure		195,348	235,823
Net incoming/(outgoing) resources before other recognised gains and losses on investments		180,800	85,901
Realised and unrealised gains/(losses) on investment assets	5	646,818	(674,694)
Net movements in funds		827,618	(588,793)
Fund balances brought forward – 6 April 2023		12,679,169	13,267,962
Fund balances carried forward – 5 April 2024		13,506,787	12,679,169

The notes on pages 12 to 18 form an integral part of these accounts

**THE PILLING TRUST FUND
BALANCE SHEET AS AT 5 APRIL 2024**

	Notes	£	2024	£	£	2023	£
FIXED ASSETS							
Investments	5		12,919,967			11,884,816	
CURRENT ASSETS							
Short term deposits		586,211			1,021,005		
Cash at bank		230,650			69,446		
		<u>816,861</u>			<u>1,090,451</u>		
CREDITORS: Amounts falling due within one year	6	(115,841)			(114,998)		
NET CURRENT ASSETS				701,020			975,453
CREDITORS: Amounts falling due after more than one year	7			(114,200)			(181,100)
				<u>13,506,787</u>			<u>12,679,169</u>
FUNDS							
General unrestricted income fund	9			<u>13,506,787</u>			<u>12,679,169</u>

February 3, 2025

Approved by the trustees on and signed on their behalf by:

Mr Sutcliffe

Mr J M Sutcliffe

The notes on pages 12 to 18 form an integral part of these accounts

**THE PILLING TRUST FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 5 APRIL 2024**

	2024	2023
	£	£
Cash flows from operating activities:		
Net income/(expenditure) for the year	827,618	(588,793)
Adjustments for:		
Increase/(decrease) in creditors	(66,057)	7,528
(Gains)/losses on investments	(648,184)	670,208
Net cash provided by / (used by) operating activities	113,377	88,943
Cash flows from investing activities:		
Disposal of investments	2,879,429	1,518,185
Purchase of investments	(3,266,396)	(1,539,317)
Net cash (used in) / provided by investing activities	(386,967)	(21,132)
Change in cash, and cash equivalents in the reporting period	(273,590)	67,811
Cash and cash equivalents at the beginning of the reporting period	1,090,451	1,022,640
Cash and cash equivalents at the end of the reporting period	816,861	1,090,451

The notes on pages 12 to 18 form an integral part of these accounts

THE PILLING TRUST FUND

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2024

1. Accounting policies

Basis of accounting

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) issued in October 2019 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to give a 'true and fair' view. This departure has involved following 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) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value and in compliance with applicable Accounting Standards.

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

Income

Investment income is recognised when its receipt is probable, and the amount can be measured reliably.

Donations and legacies are accounted for when receipt is probable, and its amount can be measured reliably.

Other income is accounted for on an accruals basis.

Income includes income tax recoverable.

Expenditure and irrecoverable VAT

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the trust to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the trust. The grants are accounted for once the offer has been accepted and all the obligations under the offer complied with.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Other costs

Other costs consist of investment management fees.

THE PILLING TRUST FUND

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2024

Other expenditure

Support costs comprise non-direct costs of the charity and are allocated between cost of raising funds and expenditure on charitable activities.

Included within support costs are all governance costs involving the public accountability of the trust and its compliance with regulation and good practice.

Taxation

As a registered charity, the trust is generally exempt from Income Tax and Capital Gains Tax, but not from VAT.

Fixed Asset 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 mid-market closing prices. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust 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.

Realised Gains and Losses

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 opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the carrying value at the year end and opening market value (or purchase date if later).

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Funds structure

Unrestricted funds

Unrestricted funds represent investment income and other income generated for the objects of the trust without further specific purposes and are available as general funds.

Designated funds

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Trustees there are no critical accounting judgements and key sources of estimation and uncertainty.

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2024

2. Investment income	2024	2023
	£	£
Income from listed UK investments	235,083	216,235
Income from listed non-UK investments	113,043	87,325
Interest receivable	<u>28,022</u>	<u>18,164</u>
	<u>376,148</u>	<u>321,724</u>

3. Charitable activities	2024	2023
	£	£
Direct Charitable Expenditure		
Grants Awarded (see below)	119,237	160,846
Support Cost		
Accountancy and Trust administration	20,150	20,419
Governance costs - audit	<u>3,300</u>	<u>3,300</u>
	<u>142,687</u>	<u>184,565</u>

The following grants were agreed during the year. They were all for purposes within the objects of the trust as set out on page 2. The grants to churches were for the purpose of helping them to maintain or achieve good standards of church music - whether by assisting them with choir costs or with the cost of a suitable instrument. Grants to other institutions were for assisting in the education of young organists.

	2024
<i>Spread over multiple years</i>	
Southwell Minster (1 year)	6,000
Ripley St Thomas C of E Academy (spread over 3 years 2024-26)	4,500
Church of St Mary the Blessed Virgin (spread over 2 years 2024-25)	8,500
Holy Trinity Church Choir, Southport (1 year)	7,000
Creative Oundle for Organists, Peterborough (2 years 2024-25)	10,000
<i>Single Payments</i>	
St Thomas the Apostle, Killinghall	1,020
St Thomas Mellor Stockport	3,000
Northern Ireland International Organ Comp	4,800
St Chad's Chapel	5,000
St Mary's Parish Church, Handsworth	3,250
Rossall School Fleetwood	7,000
St Laurence's Church, Chorley	1,000
St Deny's Church York	1,000
St Martin in the Roath	10,000
Bradford Cathedral	7,900
Northwich PCC	3,750
Dr Martin Clarke YOST	5,000
Croshtwaite Parish Church	5,000
St Barnabas PCC	10,000
St Mark The Evangelist Longwood	1,850
Wooler Parish Church	5,000
Northern Ireland International Organ Comp	4,000
St Edward's Church, Roath	<u>4,667</u>
	<u>119,237</u>

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2024

3. Charitable activities (continued)

Support costs represent amounts paid to the administrators in respect of accountancy and administering the charity of £19,135 (2023: £19,410), audit fees of £3,300 (2023: £3,300), trustees expenses of £984 (2023: £979) and bank charges of £31 (2023: £30). None of the trustees received any remuneration from the trust.

4. Investment management costs	2024 £	2023 £
Investment manager's and custodian's fees	52,661	51,258

5. Fixed Asset Investments

	2024 £	2023 £
Market value at 6 April 2023	11,884,816	12,533,894
Additions at cost	3,266,396	1,539,316
Disposals	(2,879,429)	(1,518,186)
Realised gain/(loss)	100,392	101,391
Unrealised gain/(loss)	547,792	(771,599)
Market value as at 5 April 2024	12,919,967	11,884,816
Historic cost as at 5 April 2024	11,529,297	11,043,302

The market value of investments is made up as follows: -

	2024 £	2023 £
UK investments listed on a recognised stock exchange	7,313,526	7,299,568
Non-UK investments listed on recognised stock exchanges	5,606,441	4,585,248
	12,919,967	11,884,816

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2024

5. Fixed Asset Investments (continued)

The investments consist of equities, unit trusts and fixed interest investments. There are no investments which represent more than 5% of the fund's investment portfolio.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Due to 'quantitative easing' and market sentiment favouring lower risk investments, the yield on bonds has been abnormally low giving rise to a significant downside risk of a fall in capital values when interest rates return to normal levels. Although rising interest rates resulting from a stronger economy and improved economic activity should be indicative of improving dividend yields and equity values, there is a concern that the abnormal availability of 'cheap money' to the banking sector has led to wider over-valuation of traded assets (an 'asset bubble') that may depress equity values once economic conditions ease. The Trust is reliant on dividend yield in part to finance its work and this leads to a greater exposure to international companies, the values of which, together with their yield are exposed to exchange rate risk when converting the holdings into sterling. The outlook for the sterling exchange rate is that it is anticipated to weaken as European, US and Asian economies strengthen. A weakening in the exchange rate will improve sterling returns from foreign currency denominated holdings.

The default rate on fixed interest securities due to corporate failures is expected to improve with a strengthening economy. The high current demand for high quality corporate bond and government stock continues to depress the yield.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The Trust's investments are mainly traded in markets with good liquidity and high trading volumes. The Trust has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Trust manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Trust does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield, total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2024

6. Creditors: Amounts falling due within one year	2024	2023
	£	£
Accruals	29,941	21,098
Grants agreed and payable by instalments	85,900	93,900
	<u>115,841</u>	<u>114,998</u>

7. Creditors: Amounts falling due after more than one year	2024	2023
	£	£
Grants agreed and payable by instalments	<u>114,200</u>	<u>181,100</u>

8. Contingent Liabilities

At the year-end grants offered by the trust totalling £89,000 (2023: £84,920) were under consideration by the offerees or the offerees had accepted them but the obligations under the offer had still to be complied with.

9. Funds – Unrestricted income fund

	Funds 6				Gains &	Funds 5
	April 2023	Income	Expenditure	Transfers	(losses)	April 2024
	£	£	£	£	£	£
Designated funds	84,920	-	(83,237)	87,317	-	89,000
Undesignated funds	12,594,249	376,148	(112,111)	(87,317)	646,818	13,417,787
	<u>12,679,169</u>	<u>376,148</u>	<u>(195,348)</u>	<u>-</u>	<u>646,818</u>	<u>13,506,787</u>

The designated funds represent the grants that have been offered but as yet not claimed at the year end.

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2024

11. Analysis of assets and liabilities between funds

	Unrestricted funds		
	Designated funds	Undesignated funds	Total
	£	£	£
Investments	-	12,919,967	12,919,967
Current assets:			
- Short term deposits	89,000	497,211	586,211
- Cash at bank	-	230,650	230,650
Creditors	-	(230,041)	(230,041)
	89,000	13,417,787	13,506,787

12. Post balance sheet events

The market value of the investments managed by Investec Wealth & Management was £13,053,395 at 5 April 2024, comprising of investments of £12,919,967 and cash held on deposit of £133,428. At 30 September 2024 the market value was £13,486,845, comprising of investments of £13,322,330 and cash held on deposit of £164,615.

13. Related Party Transactions

Max Elliott declared an interest in application 1785, The Church of the Holy Cross, Gilling East and application 1799, St Lawrence Church, York.

The Very Reverend P Howell-Jones declared an interest in application 1793, St Aidan, Bamber Bridge and St Leonard, Walton-le-Dale.

None of the Trustees received any remuneration from the Trust.

Fees invoiced by Beevers and Struthers Accountants for accountancy and trust administration of £18,895 (2023: £18,750) were payable in the year.

THE PILLING TRUST FUND

England & Wales - Charity number 241812

Accounts

THE PILLING TRUST FUND
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2023

Charity Commission Reference Number 241812

**THE PILLING TRUST FUND
TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2023**

LEGAL AND ADMINISTRATIVE DETAILS

Principal Office:	Suite 9b Beehive Lions Drive Shadsworth Business Park Blackburn BB1 2QS
Charity Number:	241812
Trustees:	Mr J M Sutcliffe (Chairman) Mrs A M Elder Dr S G Lindley The Very Reverend P Howell-Jones Mr A J Palmer Professor I Tracey Mr M Elliott
Bankers:	Handelsbanken 1 st Floor, Wallander House, Capricorn Bus Park, Blakewater Road, Blackburn, BB1 5QR
Investment Manager:	Investec Wealth & Investment The Plaza, 100 Hall Street, Liverpool, L3 9AB
Solicitors:	DWF LLP, 1 Scott Place, 2 Hardman Street Manchester, M3 3AA
Custodian:	Investec Wealth & Investment
Auditors:	MHA Moore and Smalley Chartered Accountants 9 Winckley Square, Preston, PR1 3HP
Secretary:	Mr W J Campbell, Suite 9b, Beehive, Lions Drive, Shadsworth Business Park, Blackburn, BB1 2QS

THE PILLING TRUST FUND TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2023

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland effective October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust

The trust, commonly known as the John Pilling Trust, was set up in 1957 by John and Margaret Pilling, principally for the purpose of assisting Anglican churches to maintain good music in their services. The trust is a registered charity and the trust deed is dated 10 May 1957.

John Pilling died in 1996 and bequeathed the bulk of his estate to the trust. It is this bequest which accounts for virtually the whole trust fund. As trustees, we have regard to what we believe would be John Pilling's wishes when exercising our discretion. We do not carry out any fundraising.

The Trustees

The Trustees are listed on Page 1. All served throughout the year. We receive no remuneration, but we do receive some expenses; see Note 3.

We usually meet twice a year to deal with grant applications and to receive a report from our fund managers.

The trust deed prescribes that there must be at least two trustees but not more than seven. New trustees are appointed by existing trustees who periodically assess what skills and experience are needed to maintain an appropriate balance.

New trustees receive an induction pack with a copy of the trust deed, recent accounts and minutes. They are also given a copy of the Charity Commission's guidance 'The Essential Trustee – What you need to know' (CC3).

Administration

Routine administration is in the hands of the Secretary. See Page 1 and also 'Applying for a Grant' below.

Risk Management

We assess the major risks to which the charity is exposed, and we have suitable controls to mitigate them. The principal risk faced by the charity lies in the performance of investments. This is mitigated by retaining expert investment managers and having a diversified investment portfolio.

OBJECTIVES – GRANT MAKING – PUBLIC BENEFIT

Objectives

The objectives of the trust are set out in the trust deed.

- (i) to advance the religious beliefs of the Church of England together with the maintenance of the musical side of church services; 'Church' includes Churches, Chapels, Collegiate Churches and Cathedrals of the Anglican Communion, and
- (ii) the advancement of education.

**THE PILLING TRUST FUND
TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2023**

Grant Making

To promote these objectives, we usually make grants at our discretion to churches in need of funds for their church organs or their choirs. We also make grants to bodies training young organists.

The grants agreed during the year are listed in note 3. They amounted to £160,846 (2022: £155,150). Outstanding offers at the yearend were £84,920 (2022: £69,322).

Our grants are usually paid only when the applicant is committed to their proposal. We can then be satisfied that the money will be spent on promoting the objectives of the trust.

There are vastly more potential applicants for a grant than we could accede to. So, to reduce the number of unsuccessful applications we decided not, for the time being, to accept applications from churches in the Province of Canterbury.

Applying for a Grant

Anyone wanting more information or wishing to make an application should get in touch with the Secretary, Will Campbell. His address is on Page 1, phone number is 01254 686600, email: wcampbell@beeverstruthers.co.uk

Fundraising

The Charity does not do any fundraising activities.

Public Benefit

There are many thousands of churches in the Church of England as well as elsewhere in the Anglican Communion. Generally, these churches set out to welcome and serve their whole communities and not just committed Anglicans. Good music is often vital for their mission. Good church music means having good musicians and, especially, good organists. They need appropriate education and training.

We confirm that we have referred to the guidance contained on the Charity Commission website in relation to charitable purposes and public benefit when reviewing our aims and objectives and in setting our grant making policy for the year.

FINANCE

Results for the year :-

Total income exceeded expenditure, prior to net gains/(losses) on investments, by £85,901 (2022: £82,179).

Total expenditure exceeded income, post net gains/(losses) on investments, by £588,793 (2022: total income exceeded expenditure, post net gains/(losses) on investments, by £334,765).

Revaluation and disposal of investments resulted in a loss of £670,208 in the year compared to a gain of £252,586 in the previous year. This is analysed as a realised gain of £101,391 and an unrealised loss of £771,599.

THE PILLING TRUST FUND
TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2023

INVESTMENTS AND RESERVES

Policy

We have wide investment powers. We maintain a substantial sum on deposit for our short-term needs. We have appointed managers with delegated powers to invest the balance with nominees to hold the investments. See the list on page 1.

The managers are to invest their portfolio in securities quoted on a recognised stock exchange. Their objective is to produce a total return in line with the MSCI WMA Balanced benchmark total return. The portfolio is to be invested mainly in equities including overseas equities.

We do not have a policy on socially responsible investing, preferring to rely on the good judgement of the managers.

Performance

Despite the bankruptcy of the sixteenth largest bank in the United States (Silicon Valley Bank) and the fact that the second largest bank in Switzerland (Credit Suisse) had to be rescued by the biggest (UBS), equity markets put in a remarkably steady performance during March, although there was a wide performance gap between the best and worst sectors. US Banks took the biggest hit, losing a quarter of their value in aggregate, as investors weighed up the prospects of lower profitability. Concerns also resurfaced about the quality of loans made to the commercial property sector amidst the downward shift in office attendance following the pandemic. Even so, we remain of the opinion that a Rerun of the Great Financial Crisis is improbable, and were encouraged by the speed with which central banks provided liquidity to the financial system when required. The MSCI World Index managed to grind out a small gain, consolidating the advances made earlier in the quarter. Indices were buoyed by a strong performance from US large cap Technology shares, which were supported by lower bond yields as markets priced in an expectation that central banks will be quicker to cut interest rates now that the first major cracks have started to appear in the financial sector. UK equity indices lost some ground on account of their exposure to more cyclical sectors. The US 10-year Treasury yield, having briefly risen above 4% at the beginning of the month in response to “hot” economic data, fell back close to 3.5%. The 10-year UK Gilt enjoyed a similar performance. But with inflation remaining elevated, there were further interest rate increases from the Federal Reserve, the Bank of England and the European Central Bank amongst many other central banks, and they might not yet be finished with their policy tightening.

The Bloomberg consensus for World GDP growth in 2023 remains at 2.4% although there is considerable uncertainty about how the year will evolve. While the UK and Europe appear to have been remarkably resilient thanks to the reduction in wholesale energy costs, the pace of China’s recovery has been somewhat disappointing. The US economy has been remarkably resilient, but many indicators suggest a potential US recession later in the year. The turmoil in its regional banking industry only added to those fears, especially if banks become more cautious in their lending policies. We continue to await signs of weakness in company earnings, which we believe will occur as the year progresses. Although inflation remains elevated, the fact that it is falling from its peak levels will give companies less cover to increase prices, while their costs continue to increase. Wages could be a particular source of pressure for margins, with unemployment remaining very low as many employees appear to have left the workforce for good. The UK Chancellor delivered a Spring Budget characterised by his “safe pair of hands” strategy, which continues the task of rebuilding confidence in the conservative administration. In terms of cash, we received £317,238 in dividends and interest which was distributed to the Trust

Reserves Policy

We consider that the demand for grants will continue indefinitely. Though we can and do spend capital as well as income, we consider the fund at £12,594,249 (2022: £13,198,640) being the amount not earmarked for a specific purpose, to be satisfactory. We do not propose to raise more funds.

**THE PILLING TRUST FUND
TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2023**

Trustees' Responsibilities Statement

The Trustees are responsible for preparing the Trustee's Report and the financial statements 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 financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources of the trust for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the 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 financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the trust, and enable them to ensure that the financial statements 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

We have appointed MHA Moore and Smalley Chartered Accountants as auditors of the trust.

Approved by the trustees on 30/01/2024
..... and signed on their behalf by:



J M Sutcliffe

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PILLING TRUST FUND

Opinion

We have audited the financial statements of The Pilling Trust Fund (the 'charity') for the year ended 5 April 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow 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 FRS 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 5 April 2023, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- 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 and Ireland) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of 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 FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PILLING TRUST FUND

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 require 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' Annual Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of 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 which give a true and fair view, and for such internal control as the trustees 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 concerns 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.

Auditors responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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:

- Reviewing board minutes.
- Auditing the risk management override of controls, including through testing journal entries and other adjustments for appropriateness.
- Enquiries with management about any known or suspected incidents on non-compliance with regulations and fraud.
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to fixed asset investments and future performance in light of the impact of Covid-19.

Because of the field in which the client operates, we identified that compliance with the Charities Act 2011 is the are most likely to have a material impact on the financial statements.

**INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE PILLING TRUST FUND**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Moore and Smalley

MHA Moore and Smalley
Chartered Accountants and Statutory Auditor

9 Winckley Square
Preston
Lancashire
PR1 3HP

02/02/2024

Date:

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

**THE PILLING TRUST FUND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2022**

	Notes	2023 Unrestricted £	2022 Unrestricted £
Income:			
Investment income	2	321,724	314,901
Total Income		<u>321,724</u>	<u>314,901</u>
Expenditure:			
Charitable activities:			
Support of church and organ music	3	184,565	178,801
Other			
Investment management costs	4	51,258	54,641
Total expenditure		<u>235,823</u>	<u>232,722</u>
Net incoming/(outgoing) resources before other recognised gains and losses on investments		85,901	82,179
Realised and unrealised gains/(losses) on investment assets	5	(674,694)	252,586
Net movements in funds		(588,793)	334,765
Fund balances brought forward – 6 April 2022		13,267,962	12,933,197
Fund balances carried forward – 5 April 2023		<u>12,676,169</u>	<u>13,267,962</u>

The notes on pages 12 to 18 form an integral part of these accounts

**THE PILLING TRUST FUND
BALANCE SHEET AS AT 5 APRIL 2023**

	Notes	£	2023 £	£	2022 £
FIXED ASSETS					
Investments	5		11,884,816		12,533,894
CURRENT ASSETS					
Short term deposits		1,021,005		996,156	
Cash at bank		69,446		26,484	
		<u>1,090,451</u>		<u>1,022,640</u>	
CREDITORS: Amounts falling due within one year	6	(114,998)		(124,072)	
NET CURRENT ASSETS			975,453		898,568
CREDITORS: Amounts falling due after more than one year	7		(181,100)		(164,500)
			<u>12,679,169</u>		<u>13,267,962</u>
FUNDS					
General unrestricted income fund	9		<u>12,679,169</u>		<u>13,267,962</u>

Approved by the trustees on 30/01/2024 and signed on their behalf by:



Mr J M Sutcliffe

The notes on pages 12 to 18 form an integral part of these accounts

**THE PILLING TRUST FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 5 APRIL 2023**

	2023	2022
	£	£
Cash flows from operating activities:		
Net income/(expenditure) for the year	(588,793)	334,765
Adjustments for:		
Increase/(decrease) in creditors	7,528	(26,155)
(Gains)/losses on investments	670,208	(252,586)
Net cash provided by / (used by) operating activities	88,943	56,024
Cash flows from investing activities:		
Disposal of investments	1,518,185	2,716,681
Purchase of investments	(1,539,317)	(3,017,215)
Net cash (used in) / provided by investing activities	(21,132)	(300,534)
Change in cash, and cash equivalents in the reporting period	67,811	(244,510)
Cash and cash equivalents at the beginning of the reporting period	1,022,640	1,267,151
Cash and cash equivalents at the end of the reporting period	1,090,451	1,022,640

The notes on pages 12 to 18 form an integral part of these accounts

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023

1. Accounting policies

Basis of accounting

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) issued in October 2019 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to give a 'true and fair' view. This departure has involved following 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) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value and in compliance with applicable Accounting Standards.

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

Income

Investment income is recognised when its receipt is probable, and the amount can be measured reliably.

Donations and legacies are accounted for when receipt is probable, and its amount can be measured reliably.

Other income is accounted for on an accruals basis.

Income includes income tax recoverable.

Expenditure and irrecoverable VAT

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the trust to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the trust. The grants are accounted for once the offer has been accepted and all the obligations under the offer complied with.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Other costs

Other costs consist of investment management fees.

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023

Other expenditure

Support costs comprise non-direct costs of the charity and are allocated between cost of raising funds and expenditure on charitable activities.

Included within support costs are all governance costs involving the public accountability of the trust and its compliance with regulation and good practice.

Taxation

As a registered charity, the trust is generally exempt from Income Tax and Capital Gains Tax, but not from VAT.

Fixed Asset 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 mid-market closing prices. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust 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.

Realised Gains and Losses

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 opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the carrying value at the year end and opening market value (or purchase date if later).

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Funds structure

Unrestricted funds

Unrestricted funds represent investment income and other income generated for the objects of the trust without further specific purposes and are available as general funds.

Designated funds

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Trustees there are no critical accounting judgements and key sources of estimation and uncertainty.

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023

2. Investment income	2023	2022
	£	£
Income from listed UK investments	216,235	211,656
Income from listed non-UK investments	87,325	102,818
Interest receivable	18,164	427
	<u>321,724</u>	<u>314,901</u>

3. Charitable activities	2023	2022
	£	£
Direct Charitable Expenditure		
Grants Awarded (see below)	160,846	155,150
Support Cost		
Accountancy and Trust administration	20,419	19,931
Governance costs - audit	3,300	3,000
	<u>184,565</u>	<u>178,081</u>

The following grants were agreed during the year. They were all for purposes within the objects of the trust as set out on page 2. The grants to churches were for the purpose of helping them to maintain or achieve good standards of church music - whether by assisting them with choir costs or with the cost of a suitable instrument. Grants to other institutions were for assisting in the education of young organists.

	2023
<i>Spread over multiple years</i>	
St Martin in the Field (spread over 5 years 2023-27)	25,000
Halifax Minster (spread over 4 years 2023-26)	24,000
Dean and Chapter, St Asaph Cathedral (spread over 3 years 2023-25)	15,000
St Ann's Church, Manchester (spread over 5 years 2024-2028)	46,500
<i>Single Payments</i>	
Halifax Minster	6,000
Christ Church, Penrith	6,000
Holy Trinity Church	846
St Anne's Episcopal Church, Kemnay	1,000
St Nicholas Church, Blundellsands	5,000
St Hilda's Church, Leeds	2,500
St Martin's Church, Low Marple	2,500
St Aidan's Church, Bamber Bridge	4,000
St Botolph's, York	1,500
St Stephen's, Keighley	2,500
St Clement's, Bradford	3,000
Dr Martin Clarke, YOST	5,000
St Mary Magdalene, Yarm	7,500
St Lawrence Church, York	3,000
	<u>160,846</u>

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023

3. Charitable activities (continued)

Support costs represent amounts paid to the administrators in respect of accountancy and administering the charity of £19,410 (2022: £18,750), audit fees of £3,300 (2022: £3,000), trustees expenses of £979 (2022: £921) and bank charges of £30 (2022: £20). None of the trustees received any remuneration from the trust.

4. Investment management costs	2023 £	2022 £
Investment manager's and custodian's fees	51,258	54,641

5. Fixed Asset Investments

	2023 £	2022 £
Market value at 6 April 2022	12,533,894	11,980,774
Additions at cost	1,539,316	3,017,215
Disposals	(1,518,186)	(2,716,681)
Realised gain/(loss)	101,391	186,138
Unrealised gain/(loss)	(771,599)	66,448
Market value as at 5 April 2023	11,884,816	12,533,894
Historic cost as at 5 April 2023	11,043,302	10,961,234

The market value of investments is made up as follows: -

	2023 £	2022 £
UK investments listed on a recognised stock exchange	7,299,568	7,970,671
Non-UK investments listed on recognised stock exchanges	4,585,248	4,563,223
	11,884,816	12,533,894

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023

5. Fixed Asset Investments (continued)

The investments consist of equities, unit trusts and fixed interest investments. There are no investments which represent more than 5% of the fund's investment portfolio.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Due to 'quantitative easing' and market sentiment favouring lower risk investments, the yield on bonds has been abnormally low giving rise to a significant downside risk of a fall in capital values when interest rates return to normal levels. Although rising interest rates resulting from a stronger economy and improved economic activity should be indicative of improving dividend yields and equity values, there is a concern that the abnormal availability of 'cheap money' to the banking sector has led to wider over-valuation of traded assets (an 'asset bubble') that may depress equity values once economic conditions ease. The Trust is reliant on dividend yield in part to finance its work and this leads to a greater exposure to international companies, the values of which, together with their yield are exposed to exchange rate risk when converting the holdings into sterling. The outlook for the sterling exchange rate is that it is anticipated to weaken as European, US and Asian economies strengthen. A weakening in the exchange rate will improve sterling returns from foreign currency denominated holdings.

The default rate on fixed interest securities due to corporate failures is expected to improve with a strengthening economy. The high current demand for high quality corporate bond and government stock continues to depress the yield.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The Trust's investments are mainly traded in markets with good liquidity and high trading volumes. The Trust has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Trust manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Trust does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield, total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023

6. Creditors: Amounts falling due within one year	2023	2022
	£	£
Accruals	21,098	31,172
Grants agreed and payable by instalments	93,900	92,900
	<u>114,998</u>	<u>124,072</u>

7. Creditors: Amounts falling due after more than one year	2023	2022
	£	£
Grants agreed and payable by instalments	<u>181,800</u>	<u>164,500</u>

8. Contingent Liabilities

At the year-end grants offered by the trust totalling £84,920 (2022: £69,322) were under consideration by the offerees or the offerees had accepted them but the obligations under the offer had still to be complied with.

9. Funds – Unrestricted income fund

	Funds 6	Income	Expenditure	Transfers	Gains &	Funds 5
	April 2022				(losses)	April 2021
	£	£	£	£	£	£
Designated funds	69,322	-	(44,346)	59,944	-	84,920
Undesignated funds	13,198,640	321,724	(191,477)	(59,944)	(674,694)	12,594,249
	<u>13,267,962</u>	<u>321,724</u>	<u>(235,823)</u>	<u>-</u>	<u>(674,694)</u>	<u>12,679,169</u>

The designated funds represent the grants that have been offered but as yet not claimed at the year end.

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2023

11. Analysis of assets and liabilities between funds

	Unrestricted funds		
	Designated funds	Undesignated funds	Total
	£	£	£
Investments	-	11,884,816	11,884,816
Current assets:			
- Short term deposits	84,920	936,085	1,021,005
- Cash at bank	-	69,446	69,446
Creditors	-	(296,098)	(296,098)
	84,920	12,594,249	12,679,169

12. Post balance sheet events

The market value of the investments managed by Investec Wealth & Management was £12,452,496 at 5 April 2023, comprising of investments of £11,884,816 and cash held on deposit of £567,680. At 30 June 2023 the market value was £12,432,677, comprising of investments of £11,907,474 and cash held on deposit of £525,203.

13. Related Party Transactions

Max Elliott declared an interest in application 1785, The Church of the Holy Cross, Gilling East and application 1799, St Lawrence Church, York.

The Very Reverend P Howell-Jones declared an interest in application 1793, St Aidan, Bamber Bridge and St Leonard, Walton-le-Dale.

None of the Trustees received any remuneration from the Trust.

Fees invoiced by Beevers and Struthers Accountants for accountancy and trust administration of £18,750 (2022: £18,750) were payable in the year.

The Pilling Trust Fund

Registered / head office address:
First Line Of Address
Second Line Of Address
Third Line Of Address
Fourth Line Of Address
POST CODE

Charity number: 241812
Country of registration: England & Wales

MHA Moore and Smalley
Richard House
9 Winckley Square
Preston
PR1 3HP

Dear Sirs,

Financial statements for the year ended 5 April 2023

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the charity's financial statements for the year ended 5 April 2023. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

General

1. We have fulfilled our responsibilities as trustees as set out in the terms of your engagement letter under the Charities Act 2011 for preparing financial statements in accordance with applicable law and Charities SORP (FRS102) for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the charity have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charity, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with The Charity Commission.
4. The financial statements are free of material misstatements, including omissions.
5. The effects of uncorrected misstatements (as set out in the appendix to this letter) are immaterial both individually and in total.

Internal control and fraud

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.

THE PILLING TRUST FUND

England & Wales - Charity number 241812

Accounts

THE PILLING TRUST FUND
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2022

Charity Commission Reference Number 241812

**THE PILLING TRUST FUND
TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2022**

LEGAL AND ADMINISTRATIVE DETAILS

Principal Office:	Suite 9b Beehive Lions Drive Shadsworth Business Park Blackburn BB1 2QS
Charity Number:	241812
Trustees:	Mr J M Sutcliffe (Chairman) Mrs A M Elder Dr S G Lindley The Very Reverend P Howell-Jones Mr A J Palmer Professor I Tracey Mr M Elliott
Bankers:	Handelsbanken 1 st Floor, Wallander House, Capricorn Bus Park, Blakewater Road, Blackburn, BB1 5QR
Investment Manager:	Investec Wealth & Investment The Plaza, 100 Hall Street, Liverpool, L3 9AB
Solicitors:	DWF LLP, 1 Scott Place, 2 Hardman Street Manchester, M3 3AA
Custodian:	Investec Wealth & Investment
Auditors:	MHA Moore and Smalley Chartered Accountants 9 Winckley Square, Preston, PR1 3HP
Secretary:	Mr W J Campbell, Suite 9b, Beehive, Lions Drive, Shadsworth Business Park, Blackburn, BB1 2QS

THE PILLING TRUST FUND TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2022

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland effective October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust

The trust, commonly known as the John Pilling Trust, was set up in 1957 by John and Margaret Pilling, principally for the purpose of assisting Anglican churches to maintain good music in their services. The trust is a registered charity and the trust deed is dated 10 May 1957.

John Pilling died in 1996 and bequeathed the bulk of his estate to the trust. It is this bequest which accounts for virtually the whole trust fund. As trustees, we have regard to what we believe would be John Pilling's wishes when exercising our discretion. We do not carry out any fundraising.

The Trustees

The Trustees are listed on Page 1. All served throughout the year. We receive no remuneration, but we do receive some expenses; see Note 4.

We usually meet twice a year to deal with grant applications and to receive a report from our fund managers.

The trust deed prescribes that there must be at least two trustees but not more than seven. New trustees are appointed by existing trustees who periodically assess what skills and experience are needed to maintain an appropriate balance.

New trustees receive an induction pack with a copy of the trust deed, recent accounts and minutes. They are also given a copy of the Charity Commission's guidance 'The Essential Trustee – What you need to know' (CC3).

Administration

Routine administration is in the hands of the Secretary. See Page 1 and also 'Applying for a Grant' below.

Risk Management

We assess the major risks to which the charity is exposed, and we have suitable controls to mitigate them. The principal risk faced by the charity lies in the performance of investments. This is mitigated by retaining expert investment managers and having a diversified investment portfolio.

OBJECTIVES – GRANT MAKING – PUBLIC BENEFIT

Objectives

The objectives of the trust are set out in the trust deed.

- (i) to advance the religious beliefs of the Church of England together with the maintenance of the musical side of church services; 'Church' includes Churches, Chapels, Collegiate Churches and Cathedrals of the Anglican Communion, and
- (ii) the advancement of education.

**THE PILLING TRUST FUND
TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2022**

Grant Making

To promote these objectives, we usually make grants at our discretion to churches in need of funds for their church organs or their choirs. We also make grants to bodies training young organists.

The grants agreed during the year are listed in note 4. They amounted to £155,150 (2021: £219,216). Outstanding offers at the yearend were £69,322 (2021: £80,026).

Our grants are usually paid only when the applicant is committed to their proposal. We can then be satisfied that the money will be spent on promoting the objectives of the trust.

There are vastly more potential applicants for a grant than we could accede to. So to reduce the number of unsuccessful applications we decided not, for the time being, to accept applications from churches in the Province of Canterbury.

Applying for a Grant

Anyone wanting more information or wishing to make an application should get in touch with the Secretary, Will Campbell. His address is on Page 1, phone number is 01254 686600, email: wcampbell@beeverstruthers.co.uk

Fundraising

The Charity does not do any fundraising activities.

Public Benefit

There are many thousands of churches in the Church of England as well as elsewhere in the Anglican Communion. Generally, these churches set out to welcome and serve their whole communities and not just committed Anglicans. Good music is often vital for their mission. Good church music means having good musicians and, especially, good organists. They need appropriate education and training.

We confirm that we have referred to the guidance contained on the Charity Commission website in relation to charitable purposes and public benefit when reviewing our aims and objectives and in setting our grant making policy for the year.

FINANCE

Results for the year :-

Total income exceeded expenditure, prior to net gains/(losses) on investments, by £82,179 (2021: £19,630).

Total income exceeded expenditure, post net gains/(losses) on investments, by £334,765 (2021: total income exceeded expenditure, post net gains/(losses) on investments, by £2,566,316).

Revaluation and disposal of investments resulted in a gain of £252,586 in the year compared to a gain of £2,546,686 in the previous year. This is analysed as a realised gain of £186,138 and an unrealised gain of £66,448.

**THE PILLING TRUST FUND
TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2022**

INVESTMENTS AND RESERVES

Policy

We have wide investment powers. We maintain a substantial sum on deposit for our short-term needs. We have appointed managers with delegated powers to invest the balance with nominees to hold the investments. See the list on page 1.

The managers are to invest their portfolio in securities quoted on a recognised stock exchange. Their objective is to produce a total return in line with the MSCI WMA Balanced benchmark total return. The portfolio is to be invested mainly in equities including overseas equities.

We do not have a policy on socially responsible investing, preferring to rely on the good judgement of the managers.

Performance

The 12-month period from April 2021 was really a tale of two halves; markets continued to gain momentum from the post-Covid recovery and ultra-low interest rates made Equities, for lack of any other option, look very attractive, particularly those of 'long duration' whose expected cash flows are further into the future. Whilst inflation was beginning to pick up, the dominant narrative was that it would be transitory; a result of supply chain disruption and pent up demand from Covid, which was readily accepted by the market. Perhaps the parabolic rise (and subsequent fall) of crypto currencies and NFTs were an indication of too much exuberance in the market. Markets started to sell off at the end of 2021 as it became apparent that inflation was more persistent than the market was pricing in and that central banks would have a tightrope to walk to bring inflation down without triggering recessions across developed economies. As markets were grappling with this conundrum, geo-political factors came to centre stage and delivered a nasty surprise when Russia invaded Ukraine. Markets, being amoral and apathetic to the human tragedy involved, swiftly began to look through the invasion and had a tentative rise. This was short lived however as further supply concerns, particularly with regards to commodities such as wheat and oil, drove inflation to multi-decade highs and made a difficult task for central banks seemingly impossible.

This trend continued for the rest of the year; bonds and equities, which usually rise and fall at different times and thereby give some protection, both fell sharply as nobody wanted to own bonds in an inflationary environment and the subsequent rise in the cost of borrowing, combined with economic fears, caused stocks to sell off as well, with the worst affected being the long duration names mentioned above which are found disproportionately in the US market. The portfolio performance over this short period was 3.1% which was slightly behind the peer group which returned 3.6%. However, looking at performance over a longer period, the portfolio is taking less risk than the benchmark with annual volatility at 8.7% vs 9.2% and has a higher yield mandate than the peer group.

In May 21 we began to diversify our US holdings by selling JPM US Equity Income and a portion of Aviva US Equity Income, together with the in-flow of £500,000 additional funds, in favour of Beutel US Value to balance the growth focussed Baillie Gifford American and large cap biased Findlay Park (Beutel has returned +15% since then).

In terms of cash, in addition to the £500,000 in-flow mentioned above we received £314,901 in dividends and interest which was distributed to the Trust

Reserves Policy

We consider that the demand for grants will continue indefinitely. Though we can and do spend capital as well as income, we consider the fund at £13,198,640 (2021: £12,853,171) being the amount not earmarked for a specific purpose, to be satisfactory. We do not propose to raise more funds.

**THE PILLING TRUST FUND
TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2022**

Trustees' Responsibilities Statement

The Trustees are responsible for preparing the Trustee's Report and the financial statements 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 financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources of the trust for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the 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 financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the trust, and enable them to ensure that the financial statements 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

We have appointed MHA Moore and Smalley Chartered Accountants as auditors of the trust.

Approved by the trustees on 02/02/2023 and signed on their behalf by:



J M Sutcliffe

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PILLING TRUST FUND

Opinion

We have audited the financial statements of The Pilling Trust Fund (the 'charity') for the year ended 5 April 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow 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 FRS 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 5 April 2022, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- 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 and Ireland) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of 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 FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PILLING TRUST FUND

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 require 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' Annual Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of 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 which give a true and fair view, and for such internal control as the trustees 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 concerns 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.

Auditors responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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:

- Reviewing board minutes.
- Auditing the risk management override of controls, including through testing journal entries and other adjustments for appropriateness.
- Enquiries with management about any known or suspected incidents on non-compliance with regulations and fraud.
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to fixed asset investments and future performance .

Because of the field in which the client operates, we identified that compliance with the Charities Act 2011 is the are most likely to have a material impact on the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PILLING TRUST FUND

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Moore and Smalley

MHA Moore and Smalley
Chartered Accountants and Statutory Auditor
9 Winckley Square
Preston
Lancashire
PR1 3HP

Date: 02/02/2023

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

**THE PILLING TRUST FUND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2022**

	Notes	2022 Unrestricted £	2021 Unrestricted £
Income:			
Investment income	2	314,901	307,802
Other income	3	-	-
Total Income		<u>314,901</u>	<u>307,802</u>
Expenditure:			
Charitable activities:			
Support of church and organ music	4	178,081	239,912
Other			
Investment management costs	5	54,641	48,260
Total expenditure		<u>232,722</u>	<u>288,172</u>
Net incoming/(outgoing) resources before other recognised gains and losses on investments		82,179	19,630
Realised and unrealised gains/(losses) on investment assets	6	252,586	2,546,686
Net movements in funds		334,765	2,566,316
Fund balances brought forward – 6 April 2021		12,933,197	10,366,811
Fund balances carried forward – 5 April 2022		<u><u>13,267,962</u></u>	<u><u>12,933,197</u></u>

The notes on pages 12 to 18 form an integral part of these accounts

**THE PILLING TRUST FUND
BALANCE SHEET AS AT 5 APRIL 2022**

	Notes	£	2022 £	£	2021 £
FIXED ASSETS					
Investments	6		12,533,894		11,980,774
CURRENT ASSETS					
Short term deposits		996,156		1,235,684	
Cash at bank		26,484		31,466	
		<u>1,022,640</u>		<u>1,267,150</u>	
CREDITORS: Amounts falling due within one year	7	<u>(124,072)</u>		<u>(128,327)</u>	
NET CURRENT ASSETS			898,568		1,138,823
CREDITORS: Amounts falling due after more than one year	8		(164,500)		(186,400)
			<u>13,267,962</u>		<u>12,933,197</u>
FUNDS					
General unrestricted income fund	10		<u>13,267,962</u>		<u>12,933,197</u>

Approved by the trustees on 02/02/2023 and signed on their behalf by:



Mr J M Sutcliffe

The notes on pages 12 to 18 form an integral part of these accounts

**THE PILLING TRUST FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 5 APRIL 2022**

	2022 £	2021 £
Cash flows from operating activities:		
Net income/(expenditure) for the year	334,765	2,566,316
Adjustments for:		
Increase/(decrease) in creditors	(26,155)	11,970
(Gains)/losses on investments	(252,586)	(2,546,686)
Net cash provided by / (used by) operating activities	56,024	31,600
Cash flows from investing activities:		
Disposal of investments	2,716,681	1,566,272
Purchase of investments	(3,017,215)	(1,490,663)
Net cash (used in) / provided by investing activities	(300,534)	75,609
Change in cash, and cash equivalents in the reporting period	(244,510)	107,209
Cash and cash equivalents at the beginning of the reporting period	1,267,151	1,159,942
Cash and cash equivalents at the end of the reporting period	1,022,640	1,267,151

The notes on pages 12 to 18 form an integral part of these accounts

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2022

1. Accounting policies

Basis of accounting

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) issued in October 2019 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to give a 'true and fair' view. This departure has involved following 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) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value and in compliance with applicable Accounting Standards.

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

Income

Investment income is recognised when its receipt is probable, and the amount can be measured reliably.

Donations and legacies are accounted for when receipt is probable, and its amount can be measured reliably.

Other income is accounted for on an accruals basis.

Income includes income tax recoverable.

Expenditure and irrecoverable VAT

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the trust to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the trust. The grants are accounted for once the offer has been accepted and all the obligations under the offer complied with.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Other costs

Other costs consist of investment management fees.

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2022

Other expenditure

Support costs comprise non-direct costs of the charity and are allocated between cost of raising funds and expenditure on charitable activities.

Included within support costs are all governance costs involving the public accountability of the trust and its compliance with regulation and good practice.

Taxation

As a registered charity, the trust is generally exempt from Income Tax and Capital Gains Tax, but not from VAT.

Fixed Asset 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 mid-market closing prices. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust 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.

Realised Gains and Losses

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 opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the carrying value at the year end and opening market value (or purchase date if later).

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Funds structure

Unrestricted funds

Unrestricted funds represent investment income and other income generated for the objects of the trust without further specific purposes and are available as general funds.

Designated funds

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Trustees there are no critical accounting judgements and key sources of estimation and uncertainty.

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2022

2. Investment income	2022	2021
	£	£
Income from listed UK investments	211,656	213,235
Income from listed non-UK investments	102,818	93,797
Interest receivable	427	770
	<u>314,901</u>	<u>307,802</u>
3. Other income	2022	2021
	£	£
Grant refunded	-	-
	<u>-</u>	<u>-</u>
4. Charitable activities	2022	2021
	£	£
Direct Charitable Expenditure		
Grants Awarded (see below)	155,150	219,216
Support Cost		
Accountancy and Trust administration	19,931	18,596
Governance costs - audit	3,000	2,100
	<u>178,081</u>	<u>239,912</u>

The following grants were agreed during the year. They were all for purposes within the objects of the trust as set out on page 2. The grants to churches were for the purpose of helping them to maintain or achieve good standards of church music - whether by assisting them with choir costs or with the cost of a suitable instrument. Grants to other institutions were for assisting in the education of young organists.

	2022
<i>Spread over 5 years 2022-26</i>	
Leeds Minster	37,500
Pipe Up, Devon	7,500
St Mary the Virgin, Liverpool	13,500
Blackburn Cathedral Trust	20,000
<i>Single Payments</i>	
St Deny's Church, York	3,300
St James, Norton	7,500
PCC Christ Church, Aughton	5,000
Manchester Cathedral	5,000
St Bartholemew's, Sealand	250
St Michael's, Barton	7,000
St Leonard's, Loftus	15,000
Liverpool Cathedral	6,000
St Anne's, Sheffield	6,000
Calverley Parish	3,000
Holy Trinity, Wensley	5,000
St Paul with St Luke, Tranmere	5,000
St Mary's, Chester	3,600
Whittington Parish Church	5,000
	<u>155,150</u>

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2022

4. Charitable activities (continued)

Support costs represent amounts paid to the administrators in respect of accountancy and administering the charity of £18,750 (2021: £18,420), audit fees of £3,000 (2021: £2,100), trustees expenses of £921 (2021: £158) and bank charges of £20 (2020: £30). None of the trustees received any remuneration from the trust.

5. Investment management costs	2022 £	2021 £
Investment manager's and custodian's fees	54,641	48,260

6. Fixed Asset Investments

	2022 £	2021 £
Market value at 6 April 2020	11,980,774	9,509,696
Additions at cost	3,017,215	1,490,663
Disposals	(2,716,681)	(1,566,271)
Realised gain/(loss)	186,138	147,558
Unrealised gain/(loss)	66,448	2,399,128
Market value as at 5 April 2022	12,533,894	11,980,774
Historic cost as at 5 April 2022	10,961,234	9,904,467

The market value of investments is made up as follows: -

	2022 £	2021 £
UK investments listed on a recognised stock exchange	7,970,671	6,544,266
Non-UK investments listed on recognised stock exchanges	4,563,223	5,436,508
	12,533,894	11,980,774

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2022

6. Fixed Asset Investments (continued)

The investments consist of equities, unit trusts and fixed interest investments. There are no investments which represent more than 5% of the fund's investment portfolio.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Due to 'quantitative easing' and market sentiment favouring lower risk investments, the yield on bonds has been abnormally low giving rise to a significant downside risk of a fall in capital values when interest rates return to normal levels. Although rising interest rates resulting from a stronger economy and improved economic activity should be indicative of improving dividend yields and equity values, there is a concern that the abnormal availability of 'cheap money' to the banking sector has led to wider over-valuation of traded assets (an 'asset bubble') that may depress equity values once economic conditions ease. The Trust is reliant on dividend yield in part to finance its work and this leads to a greater exposure to international companies, the values of which, together with their yield are exposed to exchange rate risk when converting the holdings into sterling. The outlook for the sterling exchange rate is that it is anticipated to weaken as European, US and Asian economies strengthen. A weakening in the exchange rate will improve sterling returns from foreign currency denominated holdings.

The default rate on fixed interest securities due to corporate failures is expected to improve with a strengthening economy. The high current demand for high quality corporate bond and government stock continues to depress the yield.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The Trust's investments are mainly traded in markets with good liquidity and high trading volumes. The Trust has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Trust manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Trust does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield, total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2022

7. Creditors: Amounts falling due within one year	2022	2021
	£	£
Creditors	-	-
Accruals	31,172	27,427
Grants agreed and payable by instalments	92,900	100,900
	<u>124,072</u>	<u>128,327</u>

8. Creditors: Amounts falling due after more than one year	2022	2021
	£	£
Grants agreed and payable by instalments	<u>164,500</u>	<u>186,400</u>

9. Contingent Liabilities

At the year-end grants offered by the trust totalling £69,322 (2021: £80,026) were under consideration by the offerees or the offerees had accepted them but the obligations under the offer had still to be complied with.

10. Funds – Unrestricted income fund

	Funds 6	Income	Expenditure	Transfers	Gains &	Funds 5
	April 2021				(losses)	April 2021
	£	£	£	£	£	£
Designated funds	80,026	-	(76,650)	65,946	-	69,322
Undesignated funds	12,853,171	314,901	(156,072)	(65,946)	252,586	13,198,640
	<u>12,933,197</u>	<u>314,901</u>	<u>(232,722)</u>	<u>-</u>	<u>252,586</u>	<u>13,267,962</u>

The designated funds represent the grants that have been offered but as yet not claimed at the year end.

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2022

11. Analysis of assets and liabilities between funds

	Unrestricted funds		
	Designated funds	Undesignated funds	Total
	£	£	£
Investments	-	12,533,894	12,533,894
Current assets:			
- Short term deposits	69,322	926,834	996,156
- Cash at bank	-	26,484	26,484
Creditors	-	(288,572)	(288,572)
	<u>69,322</u>	<u>13,198,640</u>	<u>13,267,962</u>
	<u><u>69,322</u></u>	<u><u>13,198,640</u></u>	<u><u>13,267,962</u></u>

12. Post balance sheet events

The market value of the investments managed by Investec Wealth & Management was £12,990,179 at 5 April 2021, comprising of investments of £12,533,894 and cash held on deposit of £456,285. At 30 June 2022 the market value was £12,126,795, comprising of investments of £11,498,826 and cash held on deposit of £627,969.

13. Related Party Transactions

Dr S G Lindley declared an interest in the applications received from St Mary Magdalene Lincoln, St Paul's Halifax, St James' Church Norton, St Deny's York and All Saints Hovingham.

Professor I Tracey declared an interest in applications received from Liverpool Parish Church.

None of the Trustees received any remuneration from the Trust.

Fees invoiced by Beevers and Struthers Accountants for accountancy and trust administration of £18,750 (2021: £18,598) were payable in the year.

THE PILLING TRUST FUND

England & Wales - Charity number 241812

Accounts

THE PILLING TRUST FUND
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2021

Charity Commission Reference Number 241812

**THE PILLING TRUST FUND
TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2021**

LEGAL AND ADMINISTRATIVE DETAILS

Principal Office:	Suite 9b Beehive Lions Drive Shadsworth Business Park Blackburn BB1 2QS
Charity Number:	241812
Trustees:	Mr J M Sutcliffe (Chairman) Mrs A M Elder Dr S G Lindley The Very Reverend P Howell-Jones Mr A J Palmer Professor I Tracey
Bankers:	Handelsbanken 1 st Floor, Wallander House, Capricorn Bus Park, Blakewater Road, Blackburn, BB1 5QR
Investment Manager:	Investec Wealth & Investment The Plaza, 100 Hall Street, Liverpool, L3 9AB
Solicitors:	DWF LLP, 1 Scott Place, 2 Hardman Street Manchester, M3 3AA
Custodian:	Investec Wealth & Investment
Auditors:	MHA Moore and Smalley Chartered Accountants 9 Winckley Square, Preston, PR1 3HP
Secretary:	Mr W J Campbell, Suite 9b, Beehive, Lions Drive, Shadsworth Business Park, Blackburn, BB1 2QS

THE PILLING TRUST FUND TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2021

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust

The trust, commonly known as the John Pilling Trust, was set up in 1957 by John and Margaret Pilling, principally for the purpose of assisting Anglican churches to maintain good music in their services. The trust is a registered charity and the trust deed is dated 10 May 1957.

John Pilling died in 1996 and bequeathed the bulk of his estate to the trust. It is this bequest which accounts for virtually the whole trust fund. As trustees, we have regard to what we believe would be John Pilling's wishes when exercising our discretion. We do not carry out any fundraising.

The Trustees

The Trustees are listed on Page 1. All served throughout the year. We receive no remuneration, but we do receive some expenses; see Note 4.

We usually meet twice a year to deal with grant applications and to receive a report from our fund managers.

The trust deed prescribes that there must be at least two trustees but not more than seven. New trustees are appointed by existing trustees who periodically assess what skills and experience are needed to maintain an appropriate balance.

New trustees receive an induction pack with a copy of the trust deed, recent accounts and minutes. They are also given a copy of the Charity Commission's guidance 'The Essential Trustee – What you need to know' (CC3).

Administration

Routine administration is in the hands of the Secretary. See Page 1 and also 'Applying for a Grant' below.

Risk Management

We assess the major risks to which the charity is exposed, and we have suitable controls to mitigate them. The principal risk faced by the charity lies in the performance of investments. This is mitigated by retaining expert investment managers and having a diversified investment portfolio.

OBJECTIVES – GRANT MAKING – PUBLIC BENEFIT

Objectives

The objectives of the trust are set out in the trust deed.

- (i) to advance the religious beliefs of the Church of England together with the maintenance of the musical side of church services; 'Church' includes Churches, Chapels, Collegiate Churches and Cathedrals of the Anglican Communion, and
- (ii) the advancement of education.

**THE PILLING TRUST FUND
TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2021**

Grant Making

To promote these objectives, we usually make grants at our discretion to churches in need of funds for their church organs or their choirs. We also make grants to bodies training young organists.

The grants agreed during the year are listed in note 4. They amounted to £219,216 (2020: £154,400). Outstanding offers at the year end were £80,026 (2020: £140,466).

Our grants are usually paid only when the applicant is committed to their proposal. We can then be satisfied that the money will be spent on promoting the objectives of the trust.

There are vastly more potential applicants for a grant than we could accede to. So to reduce the number of unsuccessful applications we decided not, for the time being, to accept applications from churches in the Province of Canterbury.

Applying for a Grant

Anyone wanting more information or wishing to make an application should get in touch with the Secretary, Will Campbell. His address is on Page 1, phone number is 01254 686600, email: wcampbell@beeverstruthers.co.uk

Fundraising

The Charity does not do any fundraising activities.

Public Benefit

There are many thousands of churches in the Church of England as well as elsewhere in the Anglican Communion. Generally, these churches set out to welcome and serve their whole communities and not just committed Anglicans. Good music is often vital for their mission. Good church music means having good musicians and, especially, good organists. They need appropriate education and training.

We confirm that we have referred to the guidance contained on the Charity Commission website in relation to charitable purposes and public benefit when reviewing our aims and objectives and in setting our grant making policy for the year.

FINANCE

Results for the year :-

Total income exceeded expenditure, prior to net gains/(losses) on investments, by £19,630 (2020: £131,707).

Total income exceeded expenditure, post net gains/(losses) on investments, by £2,566,316 (2020: total expenditure exceeded income, post net gains/(losses) on investments, by £1,693,593).

Revaluation and disposal of investments resulted in a gain of £2,546,686 in the year compared to a loss of £1,825,300 in the previous year. This is analysed as a realised gain of £147,558 and an unrealised gain of £2,399,128.

**THE PILLING TRUST FUND
TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2021**

INVESTMENTS AND RESERVES

Policy

We have wide investment powers. We maintain a substantial sum on deposit for our short-term needs. We have appointed managers with delegated powers to invest the balance with nominees to hold the investments. See the list on page 1.

The managers are to invest their portfolio in securities quoted on a recognised stock exchange. Their objective is to produce a total return in line with the MSCI WMA Balanced benchmark total return. The portfolio is to be invested mainly in equities including overseas equities.

We do not have a policy on socially responsible investing, preferring to rely on the good judgement of the managers.

Performance

The global stimulus programmes launched over the past year to combat Covid have been successful. Global GDP is expected to return to pre-Covid levels within months. The global quantitative easing impulse is now slowing, suggesting growth has peaked. Whilst there is the likelihood of short-term inflation the market expectation seems to be that inflation will not stay high enough to cause developed market central banks serious concern. The net result is that we are advised to maintain a neutral stance on investment risk with strong economic momentum offsetting elevated valuations.

The previous year's annual report coincided with the onset of the global Covid pandemic, the consequence was that we reported an exceptional reduction in the value of our portfolio of 22.9% resulting in a charge in our income statement of £1,825,300. It is pleasing to be able to report that reduction has been fully reversed in the current year with the portfolio valuation growing by £2,546,686. The portfolio has continued to show an acceptable and continuing growth since the year end.

The grants made by the Trust are primarily funded from income albeit resort can be had to capital whenever that is considered necessary. The Covid pandemic and the rebalancing of the portfolio with greater exposure to the US market have both tended to reduce income yields. The portfolio is currently generating an income yield around 2.15% supplemented by the expectation that the additional US exposure will provide enhanced potential for capital growth.

Reserves Policy

We consider that the demand for grants will continue indefinitely. Though we can and do spend capital as well as income, we consider the fund at £12,853,171 (2020: £10,226,415) being the amount not earmarked for a specific purpose, to be satisfactory. We do not propose to raise more funds.

**THE PILLING TRUST FUND
TRUSTEES REPORT FOR THE YEAR ENDED 5 APRIL 2021**

Trustees' Responsibilities Statement

The Trustees are responsible for preparing the Trustee's Report and the financial statements 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 financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources of the trust for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the 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 financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in operation.

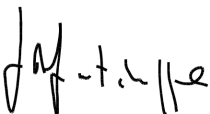
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the trust, and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed.

They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

We have appointed MHA Moore and Smalley Chartered Accountants as auditors of the trust.

Approved by the trustees on 10/01/2022 and signed on their behalf by:



J M Sutcliffe

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PILLING TRUST FUND

Opinion

We have audited the financial statements of The Pilling Trust Fund (the 'charity') for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 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 5 April 2021, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- 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 and Ireland) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of 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 FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PILLING TRUST FUND

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 require 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; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of 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 the trustees 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.

Auditors responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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:

- Reviewing board minutes;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness;
- Enquiries with management, about any known or suspected instances of non-compliance with regulations and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to fixed asset investments and future performance in light of the impact of Covid-19.

Because of the field in which the client operates, we identified that compliance with the Charities Act 2011 is the area most likely to have a material impact on the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

**INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE PILLING TRUST FUND**

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



MHA Moore and Smalley
Chartered Accountants and Statutory Auditor
9 Winckley Square
Preston
Lancashire
PR1 3HP

Date: 18/01/2022

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

**THE PILLING TRUST FUND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2021**

	Notes	2021 Unrestricted £	2020 Unrestricted £
Income:			
Investment income	2	307,802	356,055
Other income	3	-	-
Total Income		307,802	356,055
Expenditure:			
Charitable activities:			
Support of church and organ music	4	239,912	176,303
Other			
Investment management costs	5	48,260	48,045
Total expenditure		288,172	224,348
Net incoming/(outgoing) resources before other recognised gains and losses on investments		19,630	131,707
Realised and unrealised gains/(losses) on investment assets	6	2,546,686	(1,825,300)
Net movements in funds		2,566,316	(1,693,593)
Fund balances brought forward – 6 April 2020		10,366,881	12,060,474
Fund balances carried forward – 5 April 2021		12,933,197	10,366,881

The notes on pages 12 to 18 form an integral part of these accounts

**THE PILLING TRUST FUND
BALANCE SHEET AS AT 5 APRIL 2021**

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Investments	6		11,980,774		9,509,696
CURRENT ASSETS					
Short term deposits		1,235,684		1,148,347	
Cash at bank		31,466		11,595	
		<u>1,267,150</u>		<u>1,159,942</u>	
CREDITORS: Amounts falling due within one year	7	(128,327)		(142,857)	
NET CURRENT ASSETS			1,138,823		1,017,085
CREDITORS: Amounts falling due after more than one year	8		(186,400)		(159,900)
			<u>12,933,197</u>		<u>10,366,881</u>
FUNDS					
General unrestricted income fund	10		<u>12,933,197</u>		<u>10,366,881</u>

Approved by the trustees on 14/01/2022 and signed on their behalf by:



Mr J M Sutcliffe

The notes on pages 12 to 18 form an integral part of these accounts

**THE PILLING TRUST FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 5 APRIL 2021**

	2021	2020
	£	£
Cash flows from operating activities:		
Net income/(expenditure) for the year	2,566,316	(1,693,593)
Adjustments for:		
Increase/(decrease) in creditors	11,970	(64,277)
(Gains)/losses on investments	(2,546,686)	1,825,300
Net cash provided by / (used by) operating activities	31,600	67,430
Cash flows from investing activities:		
Disposal of investments	1,566,272	1,788,594
Purchase of investments	(1,490,663)	(2,054,072)
Net cash (used in) / provided by investing activities	75,609	(265,478)
Change in cash and cash equivalents in the reporting period	107,209	(198,048)
Cash and cash equivalents at the beginning of the reporting period	1,159,942	1,357,990
Cash and cash equivalents at the end of the reporting period	1,267,151	1,159,942

The notes on pages 12 to 18 form an integral part of these accounts

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021

1. Accounting policies

Basis of accounting

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) issued in October 2019 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to give a 'true and fair' view. This departure has involved following 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) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value and in compliance with applicable Accounting Standards.

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

Income

Investment income is recognised when its receipt is probable, and the amount can be measured reliably.

Donations and legacies are accounted for when receipt is probable, and its amount can be measured reliably.

Other income is accounted for on an accruals basis.

Income includes income tax recoverable.

Expenditure and irrecoverable VAT

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the trust to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the trust. The grants are accounted for once the offer has been accepted and all the obligations under the offer complied with.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Other costs

Other costs consist of investment management fees.

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021

Other expenditure

Support costs comprise non-direct costs of the charity and are allocated between cost of raising funds and expenditure on charitable activities.

Included within support costs are all governance costs involving the public accountability of the trust and its compliance with regulation and good practice.

Taxation

As a registered charity, the trust is generally exempt from Income Tax and Capital Gains Tax, but not from VAT.

Fixed Asset 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 mid-market closing prices. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust 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.

Realised Gains and Losses

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 opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the carrying value at the year end and opening market value (or purchase date if later).

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Funds structure

Unrestricted funds

Unrestricted funds represent investment income and other income generated for the objects of the trust without further specific purposes and are available as general funds.

Designated funds

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Trustees there are no critical accounting judgements and key sources of estimation and uncertainty.

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021

2. Investment income	2021	2020
	£	£
Income from listed UK investments	213,235	262,263
Income from listed non-UK investments	93,797	87,895
Interest receivable	770	5,897
	<u>307,802</u>	<u>356,055</u>
3. Other income	2021	2020
	£	£
Grant refunded	-	-
	<u>-</u>	<u>-</u>
4. Charitable activities	2021	2020
	£	£
Direct Charitable Expenditure		
Grants Awarded (see below)	219,216	154,400
Support Cost		
Accountancy and Trust administration	18,596	19,983
Governance costs - audit	2,100	1,920
	<u>239,912</u>	<u>176,303</u>

The following grants were agreed during the year. They were all for purposes within the objects of the trust as set out on page 2. The grants to churches were for the purpose of helping them to maintain or achieve good standards of church music - whether by assisting them with choir costs or with the cost of a suitable instrument. Grants to other institutions were for assisting in the education of young organists.

	2021
<i>Spread over 5 years 2021-25</i>	
St Thomas' Church, Mellor, Marple	3,000
Hereford Cathedral	125,000
<i>Single Payments</i>	
St Oswalds, Grasmere	10,000
St Lawrence, York	15,000
St Lawrence's Church Ludlow	1,216
Shrewsbury Abbey	10,000
St Andrew's Corbridge	10,000
St Mary's the Virgin, Honley	10,000
NI IOC	3,500
St Oswalds, Ravenstonedale	5,000
St Andrew's Church, Blubberhouses	2,000
Liverpool Parish Church	10,000
St Paul's, Halifax	1,500
Hovingham	6,000
Mellor	7,000

219,216

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021

4. Charitable activities (continued)

Support costs represent amounts paid to the administrators in respect of accountancy and administering the charity of £18,420 (2020: £19,620), audit fees of £2,100 (2020: £1,920), trustees expenses of £158 (2020: £334) and bank charges of £20 (2020: £30). None of the trustees received any remuneration from the trust.

5. Investment management costs	2021 £	2020 £
Investment manager's and custodian's fees	<u>48,260</u>	<u>48,045</u>

6. Fixed Asset Investments

	2021 £	2020 £
Market value at 6 April 2020	9,509,696	11,069,518
Additions at cost	1,490,663	2,082,891
Disposals	(1,566,271)	(1,817,412)
Realised gain/(loss)	147,558	40,636
Unrealised gain/(loss)	<u>2,399,128</u>	<u>(1,865,937)</u>
Market value as at 5 April 2021	<u>11,980,774</u>	<u>9,509,696</u>
Historic cost as at 5 April 2021	<u>9,904,467</u>	<u>9,923,687</u>

The market value of investments is made up as follows: -

	2021 £	2020 £
UK investments listed on a recognised stock exchange	6,544,266	5,542,715
Non-UK investments listed on recognised stock exchanges	<u>5,436,508</u>	<u>3,966,981</u>
	<u>11,980,774</u>	<u>9,509,696</u>

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021

6. Fixed Asset Investments (continued)

The investments consist of equities, unit trusts and fixed interest investments. There are no investments which represent more than 5% of the fund's investment portfolio.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Due to 'quantitative easing' and market sentiment favouring lower risk investments, the yield on bonds has been abnormally low giving rise to a significant downside risk of a fall in capital values when interest rates return to normal levels. Although rising interest rates resulting from a stronger economy and improved economic activity should be indicative of improving dividend yields and equity values, there is a concern that the abnormal availability of 'cheap money' to the banking sector has led to wider over-valuation of traded assets (an 'asset bubble') that may depress equity values once economic conditions ease. The Trust is reliant on dividend yield in part to finance its work and this leads to a greater exposure to international companies, the values of which, together with their yield are exposed to exchange rate risk when converting the holdings into sterling. The outlook for the sterling exchange rate is that it is anticipated to weaken as European, US and Asian economies strengthen. A weakening in the exchange rate will improve sterling returns from foreign currency denominated holdings.

The default rate on fixed interest securities due to corporate failures is expected to improve with a strengthening economy. The high current demand for high quality corporate bond and government stock continues to depress the yield.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The Trust's investments are mainly traded in markets with good liquidity and high trading volumes. The Trust has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Trust manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Trust does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield, total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021

7. Creditors: Amounts falling due within one year	2021	2020
	£	£
Creditors	-	9,000
Accruals	27,427	16,057
Grants agreed and payable by instalments	100,900	117,800
	<u>128,327</u>	<u>142,857</u>

8. Creditors: Amounts falling due after more than one year	2021	2020
	£	£
Grants agreed and payable by instalments	<u>186,400</u>	<u>159,900</u>

9. Contingent Liabilities

At the year-end grants offered by the trust totalling £80,026 (2020: £140,466) were under consideration by the offerees or the offerees had accepted them but the obligations under the offer had still to be complied with.

10. Funds – Unrestricted income fund

	Funds 6	Income	Expenditure	Transfers	Gains &	Funds 5
	April 2020				(losses)	April 2021
	£	£	£	£	£	£
Designated funds	140,466	-	(102,216)	41,776	-	80,026
Undesignated funds	10,226,415	307,802	(185,956)	(41,776)	2,546,686	12,853,171
	<u>10,366,881</u>	<u>307,802</u>	<u>(288,172)</u>	<u>-</u>	<u>2,546,686</u>	<u>12,933,197</u>

The designated funds represent the grants that have been offered but as yet not claimed at the year end.

THE PILLING TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2021

11. Analysis of assets and liabilities between funds

	Unrestricted funds		
	Designated funds	Undesignated funds	Total
	£	£	£
Investments	-	11,980,774	11,980,774
Current assets:			
- Short term deposits	80,026	1,155,658	1,235,684
- Cash at bank	-	31,466	31,466
Creditors	-	(314,727)	(314,727)
	80,026	12,853,168	12,933,197

12. Post balance sheet events

The market value of the investments managed by Investec Wealth & Management was £12,211,361 at 5 April 2021, comprising of investments of £11,980,774 and cash held on deposit of £230,587. At 30 June 2021 the market value was £13,102,419, comprising of investments of £12,815,061 and cash held on deposit of £287,358.

13. Related Party Transactions

Dr S G Lindley declared an interest in the applications received from St Mary Magdalene Lincoln, St Paul's Halifax, St James' Church Norton, St Deny's York and All Saints Hovingham.

Professor I Tracey declared an interest in applications received from Liverpool Parish Church.

None of the Trustees received any remuneration from the Trust. Mrs J Adams retired as secretary on 31 May 2021 and was replaced by Mr W Campbell, both partners at Beevers and Struthers Accountants. Fees invoiced by Beevers and Struthers Accountants for accountancy and trust administration of £18,598 (2020: £19,983) were payable in the year.