

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.

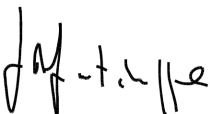
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the trust, and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and 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	<u>(128,327)</u>		<u>(142,857)</u>	
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	48,260	48,045

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)	2,399,128	(1,865,937)
Market value as at 5 April 2021	11,980,774	9,509,696
Historic cost as at 5 April 2021	9,904,467	9,923,687

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	5,436,508	3,966,981
	11,980,774	9,509,696

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				Gains &	Funds 5
	April 2020	Income	Expenditure	Transfers	(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.