

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><u>12,676,169</u></u>	<u><u>13,267,962</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 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.