

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
1st 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.