

E B HUTCHINSON CHARITABLE TRUST
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2023

CHARITY NUMBER 255644

E B HUTCHINSON CHARITABLE TRUST

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E B HUTCHINSON CHARITABLE TRUST

CHARITY INFORMATION

Trustees	Mr T Bates FRCS Rev. R C Siebert Dr N S Corfield Dr C A Siebert Mrs N L Brightling
Charity number	255644
Independent examiner	M Wilkes FCA Azets Audit Services 5th Floor Ashford Commercial Quarter 1 Dover Place Ashford Kent TN23 1FB
Principal bankers	National Westminster Bank plc Europa House 49 Sandgate Road Folkestone, Kent
Stockbrokers	Charles Stanley & Co. Limited 25 Luke Street London

E B HUTCHINSON CHARITABLE TRUST

REPORT OF THE TRUSTEES **YEAR ENDED 5 APRIL 2023**

The Trustees present their report and examined financial statements of the charity for the year ended 5 April 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in 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.

Public benefit statement

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

Objects

The Trust was formed to support research into diseases of mankind, primarily cancer research by applying its income for that purpose.

Review of the year

The charity derives the majority of its income from its investments. During the year, investment income amounted to £34,178 (2022: £32,981).

Direct charitable expenditure increased during the year and amounted to £33,425 (2022: £27,594).

Administration fees represented 10.6% (2022: 8.9%) of total income and amounted to £3,628 (2022: £3,450).

Portfolio management fees represented 18.2% (2022: 16.9%) of total income and amounted to £6,249 (2022: £6,506)

This has resulted in an decrease of unrestricted funds for the year of £3,248 (2022: increase £1,939) resulting in carry forward funds of £11,084 (2022: £14,332). Investment losses for the year amounted to £37,057 (2022: gains £48,802). Total funds at 5 April 2023 amounted to £795,710 (2022: £842,110) of which £784,626 (2022: £827,778) related to endowment funds. Further details of these funds can be found in note 9.

Investments

The Trustees' policy of investing in a mix of equities and fixed interest continued. The value of the portfolio decreased by 4.98% in the year (2022: increased by 5.78%), compared with an increase in the FTSE 100 index of 0.65% (2022: increased by 13.01%) and a decrease in the Government Securities index of 17.30% (2022: decrease 7.52%). Brokers advise the Trustees on investment decisions.

Reserves

Funds are maintained at a level that the Trustees deem sufficient to source future grant making. At 5 April 2023 the unrestricted reserves amounted to £11,084 (2022: £14,332) and endowment funds amounted to £784,626 (2022: £827,778).

Pay policy for key management personnel

The Trustees comprise the key management personnel of the charity and are in charge of directing and controlling, running and operating the charity on a day to day basis. All trustees give their time freely and no trustee received remuneration in the year.

E B HUTCHINSON CHARITABLE TRUST

REPORT OF THE TRUSTEES (CONTINUED)

YEAR ENDED 5 APRIL 2023

Risk policy

The Trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. The Trustees believe that effective systems and controls are in place to mitigate these risks by ensuring that effective controls exist over key financial systems and by examining the operational and business risks faced by the charity.

The amount allocated for grants each year is limited to the predicted annual income less the predicted annual charity running costs. Accordingly the major risk is with regards to the investment portfolio and the ability to ensure income levels are maximised given any potential volatility in the financial market.

Plans for the future

In future periods the Trustees intend to continue making charitable donations within the income arising. The Trustees have a designated selection of recipients of their funds and intend to continue with this policy for the foreseeable future.

Going concern

The Trustees make decisions on the level of donations to make based on income received at the October Trustees meeting. The cash available is generated from the investment portfolio via dividends & interest net of management fees.

Trustees

The Trustees who have served during the year were as follows:

Mr T Bates FRCS

Rev. R C Siebert

Dr N S Corfield

Dr. C A Siebert

Mrs N L Brightling (appointed 12 May 2022)

The Trust Deed permits the payment of remuneration of £300 for each Trustee. All trustees waived their entitlement for the year ended 5 April 2023.

New Trustees are appointed after they have been invited to become a Trustee, then this is voted on at the next Trustees' Meeting. A deed of appointment is then signed by existing and new Trustees.

Charitable Status

The Trust is constituted by deed of settlement dated 14 September 1956 by the late Mr E B Hutchinson and is registered with the Charity Commission, No 255644.

E B HUTCHINSON CHARITABLE TRUST

REPORT OF THE TRUSTEES (CONTINUED)

YEAR ENDED 5 APRIL 2023

Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual 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 & 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 charity and of the incoming resources and application of resources of the charity 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 2015 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the charity will continue.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board of Trustees

T Bates FRCS
Chairman
Date: 9 June 2023

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF E B HUTCHINSON CHARITABLE TRUST

I report to the trustees on my examination of the accounts for the year ended 5 April 2023 which are set out on pages 6 to 13.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1) accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- 2) the accounts do not accord with those records; or
- 3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....
M Wilkes FCA
For and on behalf of Azets Audit Services
5th Floor
Ashford Commercial Quarter
1 Dover Place
Ashford
Kent TN23 1FB

Date: 4 July 2023

E B HUTCHINSON CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2023

	Notes	Unrestricted Fund £	Endowment Fund £	2023 Total £	2022 Total £
Income from:					
Investment income receivable		33,856	-	33,856	32,981
Bank interest receivable		68	-	68	2
Other income		100	154	254	5,453
Total income		<u>34,024</u>	<u>154</u>	<u>34,178</u>	<u>38,436</u>
Expenditure on:					
Charitable activities	2	33,425	-	33,425	27,594
Investment management costs		-	6,249	6,249	6,506
Mileage expenses		219	-	219	-
Accountancy and administration	4	3,628	-	3,628	3,450
Total expenditure		<u>37,272</u>	<u>6,249</u>	<u>43,521</u>	<u>37,550</u>
Net movement in funds before gains/(losses) on investments		(3,248)	(6,095)	(9,343)	886
Net investment (losses)/gains	6	-	(37,057)	(37,057)	48,802
Net movement in funds		<u>(3,248)</u>	<u>(43,152)</u>	<u>(46,400)</u>	<u>49,688</u>
Reconciliation of funds:					
Funds at 6 April 2022		14,332	827,778	842,110	792,422
Funds at 5 April 2023		<u>11,084</u>	<u>784,626</u>	<u>795,710</u>	<u>842,110</u>

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

E B HUTCHINSON CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2023

COMPARATIVE INFORMATION ONLY				2022	2021
	Notes	Unrestricted Fund	Endowment Fund	Total	Total
		£	£	£	£
Income from:					
Investment income receivable		32,981	-	32,981	27,517
Bank interest receivable		2	-	2	11
Other income		-	5,453	5,453	1,257
Total income		<u>32,983</u>	<u>5,453</u>	<u>38,436</u>	<u>28,785</u>
Expenditure on:					
Charitable activities	2	27,594	-	27,594	32,500
Investment management costs		-	6,506	6,506	5,597
Mileage expenses		-	-	-	72
Accountancy and administration	4	3,450	-	3,450	2,887
Total expenditure		<u>31,044</u>	<u>6,506</u>	<u>37,550</u>	<u>41,056</u>
Net movement in funds before gains/(losses) on investments		1,939	(1,053)	886	(12,271)
Net investment gains	6	-	48,802	48,802	170,077
Net movement in funds		<u>1,939</u>	<u>47,749</u>	<u>49,688</u>	<u>157,806</u>
Reconciliation of funds:					
Funds at 6 April 2021		12,393	780,029	792,422	634,616
Funds at 5 April 2022		<u>14,332</u>	<u>827,778</u>	<u>842,110</u>	<u>792,422</u>

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

E B HUTCHINSON CHARITABLE TRUST

BALANCE SHEET

AS AT 5 APRIL 2023

	Notes	2023 £	£	2022 £	£
Investment Assets					
Shares and securities	6	802,535		836,053	
Current Assets					
Cash at bank					
- current account		3,819		200	
- broker accounts		5,096		14,023	
- short-term deposits		23,331		24,541	
		<u>32,246</u>		<u>38,764</u>	
Creditors: Amounts falling due within one year	7	<u>(38,071)</u>		<u>(31,207)</u>	
Net current assets			(5,825)		7,557
Creditors: Amounts falling due after one year	8		(1,000)		(1,500)
Total Net Assets			<u>795,710</u>		<u>842,110</u>
Represented by:					
Endowment fund	9	784,626		827,778	
Unrestricted fund		11,084		14,332	
	10	<u>795,710</u>		<u>842,110</u>	

Approved by the Trustees and authorised for issue on 9 June 2023.

.....
T Bates

.....
Rev. R Siebert

E B HUTCHINSON CHARITABLE TRUST

NOTES TO THE ACCOUNTS

YEAR ENDED 5 APRIL 2023

1. Accounting Policies

- 1.1** E B Hutchinson Charitable Trust is a registered charity with the Charity Commission in the United Kingdom. The nature of the charity's operations and principal activities is to support research into diseases of mankind, primarily cancer research by applying its income for that purpose.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Fund accounting

The Trust Deed permits distribution from income only, the original Capital of the Trust, together with realised capital gains since inception, are regarded as a permanent endowment and consequently are classified as a permanent endowment fund in the Balance Sheet. On 30 September 2016, the Trustees decided to adopt a Total Returns Policy. This power permits the trustees to invest permanently endowed funds to maximise total return and therefore to apply an appropriate portion of the unapplied total return to income.

Endowment funds represent those assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

1.3 Income recognition

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objectives. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

E B HUTCHINSON CHARITABLE TRUST

NOTES TO THE ACCOUNTS

YEAR ENDED 5 APRIL 2023

1. Accounting Policies

1.4 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Expenditure on charitable activities includes those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them

Grants made by the Trustees are charged against income in the year in which the grant is awarded, subject to all conditions imposed by the Trustees being met. Where such conditions are not met, the grant is not recognised in the accounts until all of the conditions have been met by the recipient. Unrestricted general funds are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

1.5 Investments and gains and losses

Investments are recognised initially at their transaction value and subsequently measured at fair value as at the balance sheet date using the quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. 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.

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 their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1.6 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011.

1.7 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

The Trustees make decisions on the level of donations to make based on income received at the October Trustees meeting. The cash available is generated from the investment portfolio via dividends & interest net of management fees.

E B HUTCHINSON CHARITABLE TRUST

NOTES TO THE ACCOUNTS

YEAR ENDED 5 APRIL 2023

1. Accounting Policies

1.8 Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

No judgements or key assumptions were made in the preparation of the accounts.

2 Grants

Grants made to institutions:

University of Kent at Canterbury for research into human cancer

2023	2022
£	£
33,425	27,595
<u>33,425</u>	<u>27,595</u>

Reconciliation of grants payable

Commitments at 6 April 2022

Commitments made in the year

Grants paid during the year

Commitments at 5 April 2023

29,595	32,500
33,425	27,595
(29,595)	(30,500)
<u>33,425</u>	<u>29,595</u>

Commitments at 5 April 2023 are payable as follows

Within one year

Due after one year

33,425	28,095
1,000	1,500
<u>34,425</u>	<u>28,095</u>

3 Permanent endowment invested on a total return basis

The charity has exercised its rights by the Trustees under section 104(A) of the Charities Act 2011 on 30 September 2016. This power permits the trustees to invest permanently endowed funds to maximise total return and therefore to apply an appropriate portion of the unapplied total return to income. The unapplied total return remains invested as part of the permanent endowment until that power is exercised. When exercised it allows the trustees to apply an appropriate portion of the unapplied total return to income each year.

	Endowment for investment £	Unapplied Total Return £	Total endowment £
At 6 April 2022	388,733	-	388,733
Unapplied total return	-	439,045	439,045
	<u>388,733</u>	<u>439,045</u>	<u>827,778</u>
Movements			
Dividend return	-	33,856	33,856
Investment management costs	-	(6,249)	(6,249)
Scheme of arrangement	-	154	154
Profit/(loss)	-	(37,057)	(37,057)
	-	(9,296)	(9,296)
Unapplied total return allocated to income	-	(33,856)	(33,856)
Net movement in the year	-	(43,152)	(43,152)
Total	<u>388,733</u>	<u>395,893</u>	<u>784,626</u>

E B HUTCHINSON CHARITABLE TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 5 APRIL 2023

4 Accountancy and Independent Examiner's Fees	2023	2022
	£	£
Independent examiner's fees	1,736	1,560
Charity secretarial duties	1,892	1,890
	<u>3,628</u>	<u>3,450</u>

5 Trustees' and key management personnel remuneration and reimbursed expenses

The trustees have not received any remuneration in the year (2022: None). During the year 1 trustees (2022: 0) received mileage expenses amounting to £219 (2022: £Nil).

The trustees consider the board of trustees comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. As detailed above, no trustees received remuneration during the period.

6 Investments

	2023	2022
	£	£
Quoted investments		
Market value at 6 April 2022	836,053	785,090
Additions	22,000	12,657
Disposals	(18,461)	(10,496)
Gains and losses	(37,057)	48,802
Market value at 5 April 2023	<u>802,535</u>	<u>836,053</u>

Historical cost at 5 April 2023	<u>444,588</u>	<u>443,317</u>
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	2023	2022
	£	£
Quoted investments comprise:		
Equities	581,039	601,104
Mutual funds	221,496	234,949
	<u>802,535</u>	<u>836,053</u>

The fair value of listed investments is determined by reference to the mid-market value of shares at the Balance Sheet date.

Significant investments held at 5 April 2023 which are material in value (5%) are:

	2023	2022
	£	£
M & G Charifund	221,496	234,949
BNY Mellon Fund Newton Global Higher Inc.	47,452	46,316

7 Creditors: Amounts falling due within one year	2023	2022
	£	£
Grants	33,925	28,095
Accruals	4,146	3,112
	<u>38,071</u>	<u>31,207</u>

E B HUTCHINSON CHARITABLE TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 5 APRIL 2023

8	Creditors: Amounts falling due after more one year	2023	2022
		£	£
	Grants	1,000	1,500
		<u>1,000</u>	<u>1,500</u>

9 Endowment funds

	As at 6 April 2022	Income	Expenditure	Net investment losses	As at 5 April 2023
	£	£	£	£	£
Capital fund	388,733	-	-	-	388,733
Expendable endowment fund	439,045	154	(6,249)	(37,057)	395,893
	<u>827,778</u>	<u>154</u>	<u>(6,249)</u>	<u>(37,057)</u>	<u>784,626</u>

	As at 6 April 2021	Income	Expenditure	Net investment gains	As at 5 April 2022
	£	£	£	£	£
Capital fund	388,733	-	-	-	388,733
Expendable endowment fund	391,296	5,453	(6,506)	48,802	439,045
	<u>780,029</u>	<u>5,453</u>	<u>(6,506)</u>	<u>48,802</u>	<u>827,778</u>

The Capital Fund relates to assets referred to in the The Trust Deed as The Trust Fund and is considered a permanent endowment.

The Expendable endowment fund represents the increase or decrease in value of the original Trust Fund. These funds were previously not available for distribution. However following the decision by the Trustees on 30 September 2016, these can now be distributed in accordance with note 3.

10 Analysis of Funds - 2023

	Unrestricted	Endowment	Total
	£	£	£
Investments	16,403	786,132	802,535
Current assets	32,246	-	32,246
Current liabilities	(36,565)	(1,506)	(38,071)
Creditors: amounts falling due after more than one year	(1,000)	-	(1,000)
	<u>11,084</u>	<u>784,626</u>	<u>795,710</u>

Analysis of Funds - 2022

	Unrestricted	Endowment	Total
	£	£	£
Investments	6,753	829,300	836,053
Current assets	38,764	-	38,764
Current liabilities	(29,685)	(1,522)	(31,207)
Creditors: amounts falling due after more than one year	(1,500)	-	(1,500)
	<u>14,332</u>	<u>827,778</u>	<u>842,110</u>

11 Related party transactions

There were no related party transactions during the year other than detailed in note 5 (2022: none).