

THE PENNYCRESS TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

THE PENNYCRESS TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Charles Cholmondeley Lady Rose Cholmondeley Lady Margot Huston Mrs Priscilla Dicketts
Charity number	261536
Principal address	28 Clare Court Judd Street London WC1H 9QW
Independent examiner	Gary Howard FCA Howard Wilson Chartered Accountants 36 Crown Rise Watford Hertfordshire WD25 0NE
Bankers	Royal Bank of Scotland London Holborn (A) Branch 127/128 High Holborn London WC1V 6PQ
Investment advisors	Punter Southall Wealth 11 Strand London WC2N 5HR

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THE PENNYCRESS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2021

The trustees present their annual report and financial statements for the year ended 5 April 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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 (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charitable objects of the Pennycress Trust as defined by the Trust Deed are:

"the charitable purposes of the bodies associations and organisations whose names shall at the time of such application be registered as charities pursuant to the Charitable Trusts Act 1960"

Their policy is to make donations to smaller charities and preference is given to charities based in Cheshire and Norfolk. In addition some donations are made to national charities.

Public benefit statement

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Financial review

In the year to 5 April 2021 52 donations were made, totaling £21,200 (2020 £69,800) mainly of sums between £100 and £500, but with individual one-off donations of £1,000, and £2,000 respectively.

The Trustees make a reserve of any unspent income each year, to enable them to make occasional large donations. The accumulated reserve to 5 April 2021 was £88,764 (2020 £57,207) this reserve being included in the total value of the Trust Fund as at 5 April 2021 .

Reserves policy

The Trustees' policy is to retain sufficient reserves to enable the payment of donations to beneficiaries during each accounting period.

Investment powers

The Trustees have wide investment powers and are advised by Psigma Investment Management who have (with the consent of the Charity Commissioners) certain delegated powers to deal with investments (which are held in their nominee names). The policy is to invest to produce income whilst maintaining a reasonable capital growth.

Risk management

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

THE PENNYCRESS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Structure, governance and management

The Charity is a registered charity (Charity No. 261536) and is governed by a Trust Deed dated 16 June 1970 and made between the late the Most Honourable Sybil Rachel Cecile Betty Adele Dowager Marchioness of Cholmondeley, CBE of the one part, Anthony James Morton Baker, the said Dowager Marchioness of Cholmondeley and Lady Aline Caroline Cholmondeley of the other part.

The Settlement comprised 10,000 The "Shell" Transport & Trading Co. PLC Ordinary 25p shares on the 16 June 1970, settled by the Dowager Marchioness of Cholmondeley. In the intervening years Lady Aline Cholmondeley has transferred various holdings of shares and cash to the Trust Fund. By her Will, the Dowager Marchioness of Cholmondeley bequeathed an interest in certain jewellery to the Trust Fund from the sale of which the Trustees received £441,818.

By a Deed of Family Arrangement made between the executors of the late Dowager Marchioness of Cholmondeley and herself, Lady Aline Cholmondeley gave up the greater part of her interest in a one-third share of the residue of the Dowager Marchioness of Cholmondeley's estate in favour of the Trustees. In the event the Trustees received shares of a total value of £407,412 and capital cash of £21,579.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr Charles Cholmondeley

Lady Rose Cholmondeley

Lady Margot Huston

Mrs Priscilla Dicketts

The power of appointing new trustees is vested in the Trustees for the time being.

The trustees' report was approved by the Board of Trustees.

Mr Charles Cholmondeley

Trustee

Dated: 21 January 2022

THE PENNYCRESS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 5 APRIL 2021

The trustees are responsible for preparing the Trustees' 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 charity and of the incoming resources and application of resources of the charity for that year.

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 charity will continue in operation.

The trustees are responsible for keeping sufficient 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.

THE PENNYCRESS TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE PENNYCRESS TRUST

I report to the trustees on my examination of the financial statements of The Pennycress Trust (the charity) for the year ended 5 April 2021.

Responsibilities and basis of report

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

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no 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 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements to be reached.

Gary Howard FCA

Howard Wilson Chartered Accountants
36 Crown Rise
Watford
Hertfordshire
WD25 0NE

Dated: 26 January 2022

THE PENNYCRESS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 5 APRIL 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income from:</u>			
Investments	3	65,627	74,044
Total income		65,627	74,044
<u>Expenditure on:</u>			
Charitable activities	4	54,664	107,974
Total charitable expenditure		54,664	107,974
Net gains/(losses) on investments	8	434,163	(345,350)
Net income/(expenditure) for the year/ Net movement in funds		445,126	(379,280)
Fund balances at 6 April 2020		2,107,513	2,486,793
Fund balances at 5 April 2021		2,552,639	2,107,513

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE PENNYCRESS TRUST

BALANCE SHEET

AS AT 5 APRIL 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	9	2,493,025		2,078,726	
Current assets					
Investments	11	12,460		12,437	
Cash at bank and in hand		50,544		18,540	
		<u>63,004</u>		<u>30,977</u>	
Creditors: amounts falling due within one year	12	<u>(3,390)</u>		<u>(2,190)</u>	
Net current assets			59,614		28,787
Total assets less current liabilities			<u>2,552,639</u>		<u>2,107,513</u>
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		2,146,786		2,068,721	
Revaluation reserve		<u>405,853</u>		<u>38,792</u>	
			2,552,639		2,107,513
			<u>2,552,639</u>		<u>2,107,513</u>

The financial statements were approved by the Trustees on 21 January 2022

Mr Charles Cholmondeley
Trustee

THE PENNYCRESS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

Charity information

The Pennycress Trust is an unincorporated charity.

1.1 Accounting convention

The financial statements have been prepared in accordance 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 (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, despite the ongoing and potential effects of COVID-19, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees continue to adopt the going concern basis of accounting in preparing the financial statements and no adjustments to the results or the carrying values declared in these financial statements are required, and none have been made.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of VAT.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

THE PENNYCRESS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

(Continued)

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

THE PENNYCRESS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Income from listed investments	65,585	73,719
Interest receivable	42	325
	<u>65,627</u>	<u>74,044</u>

4 Charitable activities

	2021 £	2020 £
Salaries and sundries	12,300	13,224
Portfolio management costs	19,964	23,750
Governance costs	1,200	1,200
	<u>33,464</u>	<u>38,174</u>
Grant funding of activities (see note 5)	21,200	69,800
	<u>54,664</u>	<u>107,974</u>

Governance costs comprise independent examiner's fees of £1,200 (2020 - £1,200).

5 Grants payable

	2021 £	2020 £
Grants to organisations	<u>21,200</u>	<u>69,800</u>

THE PENNYCRESS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

7 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

8 Net gains/(losses) on investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Gain/(loss) on sale of investments	434,163	(345,350)

9 Fixed asset investments

	Listed investments £
Cost or valuation	
At 6 April 2020	2,078,726
Additions	263,469
Valuation changes	384,430
Disposals	(233,600)
At 5 April 2021	2,493,025
Carrying amount	
At 05 April 2021	2,493,025
At 05 April 2020	2,078,726

THE PENNYCRESS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

10	Financial instruments	2021	2020
		£	£
	Carrying amount of financial assets		
	Instruments measured at fair value through profit or loss	2,505,485	2,091,163
		<u><u> </u></u>	<u><u> </u></u>
11	Current asset investments	2021	2020
		£	£
	Building society deposit	12,460	12,437
		<u><u> </u></u>	<u><u> </u></u>
12	Creditors: amounts falling due within one year	2021	2020
		£	£
	Accruals and deferred income	3,390	2,190
		<u><u> </u></u>	<u><u> </u></u>
13	Related party transactions		
	There were no disclosable related party transactions during the year (2020 - none).		
