

THE EARMARK TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

REGISTERED CHARITY NO: 267176

THE EARMARK TRUST

Report of the Trustees

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THE EARMARK TRUST

TRUST INFORMATION

Trustees	Alexander Charles Montgomery Raven Frederick Charles Raven Alison Mary Raven (appointed 11 March 2021)
Principal office	BDB Pitmans LLP One Bartholomew Close, London, EC1A 7BL
Bankers	Barclays Bank Plc 114 Fenchurch Street London EC3P 3HY
Investment Managers	Investec Wealth & Investment Limited 30 Gresham Street London EC2V 7QN
Administrators	BDB Pitmans LLP One Bartholomew Close, London, EC1A 7BL
Independent Examiner	Sally Knight 1 Coopers Mews, Beckenham, BR3 1AJ

THE EARMARK TRUST

Report of the Trustees

The Trustees present their report and the unaudited financial statements of the charity for the year ended 5 April 2021.

The annual report and financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Trust's governing document, the Charities Act 2011 and the relevant provisions of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Structure, governance and management

The Earmark Trust was constituted by a Deed of Settlement dated 1 February 1974 between Mr F C Raven and the Trustees. The Objects are: To assist in such ways as the charity trustees in their discretion think fit, in particular but not exclusively to help with disabilities, education, children's hospitals, and community development. The Trustees are authorised to apply both the capital and income of the Trust for or towards such charitable purposes at such time or times and in such manner as the Trustees shall in their absolute discretion think fit.

The Trustees endeavour to meet twice a year to consider the performance of the investment portfolio, review available reserves for distribution and consider grants payments. However no meetings were possible during 2021.

Charitable activities

In general, grants are made to registered charitable organisations rather than individuals and the Trustees consider applications twice a year.

The Trust property is provided rent free under a licence to occupy to a beneficiary of the Trust (due to financial hardship). The Trust pays the utility costs and the beneficiary pays the council tax, and also contributes approximately £500 a year to the Trust.

Public Benefit Statement

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and activities and in setting the charity's activities and grant making policy for the year.

ACHIEVEMENTS AND PERFORMANCE

The Trust's Funds are held mainly in investments and cash and are all unrestricted. Investment performance is reviewed by the Trustees. During the year the investment portfolio increased in value by £129,017 from £809,185 to £938,202 as per Note 8 (2020: a decrease of £140,799).

FINANCIAL REVIEW

Income

The total income for 2021 was £25,152 (2020: £32,527). This comprised mainly investment and deposit income and other contributions to the Trust property.

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Report of the Trustees

Expenditure

No grants were awarded in 2021 (2020: 39 grants - £23,000). Support costs were £5,924 (2020: £5,912).

There was accommodation expenditure for property held in the Trust of £2,999 (2020: £1,767). The total charitable expenditure for the year was £8,924 (2020: £30,679). Expenditure relating to raising funds (Investment Management fees) was £8,733 (2020: £9,505).

Reserves Policy and Investment policy

The Trustees' policy is to preserve the investment base of the Trust to ensure that sufficient income and capital gains are generated to satisfy budgeted levels of grant and other expenditure. The Trustees intend to resume a more proactive grant-making strategy in 2021/22. They are also looking at the designation of the capital fund. The majority of the charity's funds are in an investment portfolio managed by Investec Wealth & Investment Limited.

Risk Management

The Trustees have examined the strategic and operational risks which the Trust faces.

The major risks to which the Trust is exposed, as identified by the Trustees, have been reviewed and systems and procedures have been established to manage those risks. The Trustees do not enter into commitments in excess of their available cash resources and as a result they operate in a very low risk environment. Any drop in income received will be matched by an appropriate reduction in expenditure.

Going Concern

The Trustees have reviewed the impact of the COVID-19 pandemic on the generation of investment income and considered how this may affect the Trust immediate and longer term activities. The Trustees are satisfied there will be no long-term impact on the going concern of the charity, so continue to adopt the going concern basis for the preparation of the financial statements.

Statement of Trustees' Responsibilities

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 charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

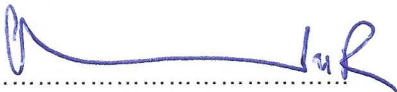
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the 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.

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Report of the Trustees

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with applicable law and regulations. 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.

This report was approved by the Trustees on 5th January 2022 and is signed on their behalf by:


.....
Alexander Charles M Raven

THE EARMARK TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE EARMARK TRUST

I report to the charity's Trustees on my examination of the accounts of The Earmark Trust ('the charity') for the year ended 5 April 2021 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 2011 Act').

I report in respect of my examination of the charity's accounts as 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

I have completed my examination. I confirm that no matters have come to my attention in connection with my 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 accounts do not accord with those records; or
- (3) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

Use of my report

This report is made solely to the charity's Trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. My examination has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my examination, for this report, or for the opinions I have formed.



Sally Knight FCA DChA

Chartered Accountant

1 Coopers Mews, Beckenham, Kent BR3 1AJ

Date: 8 January 2022

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2021

		Unrestricted funds	
	Notes	2021 £	2020 £
INCOME AND EXPENDITURE			
INCOME FROM:			
Investments		24,562	31,800
Deposit interest		30	117
Contribution towards property expenses		560	560
Sale proceeds of motor vehicle		-	50
Total Income		25,152	32,527
EXPENDITURE ON:			
Raising funds:			
Investment management fees		8,733	9,505
Charitable activities			
Grants	2	-	23,000
Provision of accommodation	3	2,999	1,767
Support costs	4	5,924	5,912
		8,923	30,679
Total Expenditure		17,656	40,184
Net income/(expenditure) before investment gains/(losses)		7,496	(7,657)
Net gains/(losses) on investments	8	163,028	(143,411)
Net income/(Expenditure) & Net Movement in Funds		170,524	(151,068)
Funds brought forward		960,460	1,111,528
TOTAL UNRESTRICTED FUNDS CARRIED FORWARD		£ 1,130,984	£ 960,460

The notes on pages 8 to 13 form part of the financial statements

THE EARMARK TRUST

BALANCE SHEET AS AT 5 APRIL 2021

	Notes	£	2021 £	£	2020 £
Fixed Assets					
Property, plant and equipment	7		79,599		80,649
Investments	8		938,202		809,185
			1,017,801		889,834
Current Assets					
Deposit account		88,427		62,396	
Cash held at investment managers		26,503		7,035	
Current and donation accounts		1,673		2,825	
Debtors and prepayments	9	3,960		3,572	
Total Current Assets		120,563		75,828	
Less: Current liabilities					
Amounts falling due within one year					
Creditors and accruals	10	7,380		5,202	
Net current assets			113,183		70,626
Net Assets					
			1,130,984		£ 960,460
Funds of the Trust					
Unrestricted Funds					
Capital fund	12		696,725		696,725
Accumulated income fund	12		434,259		263,735
Total Funds			1,130,984		£ 960,460

The notes on pages 8 to 13 form part of the financial statements

The financial statements were approved by the Trustees on 5th January 2022.

Authorised to sign on behalf of the Trustees:



Alexander Charles M Raven

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

1. Accounting Policies

1.1. General information and basis of accounting

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 (SORP (FRS 102)) second edition (October 2019), the Charities Act 2011, and UK Generally Accepted Accounting Practice as it applies from 1 January 2019.

The Trust does not include a cash flow statement on the grounds that it is a small charity and therefore exempt.

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 provide a 'true and fair view'. This departure has involved following the Charities SORP (FRS 102) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Earmark Trust constitutes a public benefit entity as defined by FRS 102. 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 presented in sterling which is the functional currency of the Trust and rounded to the nearest pound.

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.

1.2 Funds

Unrestricted funds comprise those funds which the Trustees are free to use in accordance with the charitable objects. The unrestricted funds are split into a fixed capital account fund (kept to preserve the investment base of the Trust) and an accumulation account fund to which the annual net movement in funds is added. Unrestricted funds may be used at the discretion of the Trustees in furtherance of the general objectives of the charity. There are no restricted funds.

1.3 Income

Income is included in the Statement of Financial Activities (SoFA) when the Trust is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. Investment income is accounted for on a received basis with the exception of accrued interest on gilts and bonds which is due but not yet received at the year-end.

1.4 Expenditure

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:

- Raising funds includes investment management fees
- Expenditure on charitable activities includes all costs incurred on furthering the objects of the Trust; including support and governance costs

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

Grants are recognised when the trustees have made a decision to make a payment and that decision has been communicated to the recipient and it is probable that payment will take place. However, the recognition of any liability will be dependent on any conditions attaching to the commitment.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the Trust.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

1. Accounting Policies

1.5 Support costs allocation

Support costs are those that assist the work of the Trust but do not directly represent charitable activities and include general management, administration and governance costs. They are incurred in support of expenditure on the objects of the Trust. The analysis of these costs are included in note 4.

1.6 Fixed Assets and depreciation

All fixed assets are stated at cost. Depreciation is provided on all tangible assets other than freehold land and buildings, at rates calculated to write off the cost of each asset, less any estimated residual value, evenly over its expected useful life. The expected useful lives of the principal categories are:

Fixtures and fittings- over 15 years

1.6 Investments

Investments are included on the balance sheet at fair value (being the year end mid-market), with changes in fair value and surpluses/deficits on disposals, recognised as net gains or losses on investments in the statement of financial activities.

1.7 Creditors payable within one year

Creditors are recognised when the Trust has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

1.8 Foreign Currencies

Transactions carried out and investments valued in foreign currencies are converted into sterling using the figures published in the Portfolio Managers' reports. The Sterling equivalent of any cash held in foreign currencies on the year end date is restated using the closing rate. An exchange rate adjustment is included in the accounts reflecting this.

1.9 Going concern

The financial statements have been prepared on a going concern basis as the Trustees consider that no material uncertainties exist. Following the COVID-19 pandemic, the Trustees have considered the impact this has had on the level of funds held and the expected level of income and expenditure for a minimum of 12 months from the date of authorisation of these financial statements. The budgeted income and expenditure and level of reserves is sufficient for the Trust to be able to continue as a going concern.

1.10 Tax

The Earmark Trust is a registered Trust and is exempt from tax under the provisions of the Corporation Tax Act 2010 on its activities.

1.11 Financial instruments

The Trust only holds basic Financial Instruments. The financial assets and financial liabilities of the Trust are as follows:

- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Liabilities – accruals and other creditors are classified as financial instruments, and are measured at amortised cost as detailed in Note 10.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

2. Charitable Expenditure

	2021 £	2020 £
Grants made in the year - institutions	-	23,000
Total grants awarded in the year	-	£ 23,000

3. Provision of accommodation for beneficiary

Electricity	633	473
Gas	690	261
Insurance	516	487
Telephone	372	330
Water rates	288	216
Repairs	500	-
	£ 2,999	£ 1,767

4. Support and governance costs

Administrative fees	90	978
BDB Pitmans accountancy fees	2,100	2,700
BDB Pitmans legal administration fees	1,560	-
Sally Knight - Independent examiner's fees	975	1,400
Depreciation	1,050	139
Motor expenses	-	548
Computer, Postage, stationary, share of office expenses	139	146
Interest	10	1
	£ 5,924	£ 5,912

5. Governance costs

Accountancy Services	2,100	2,700
Independent Examination	975	1,400
Legal administration fees	1,560	-
	£ 4,635	£ 4,100

6. Disclosure of Trustees' remuneration, benefits and expenses

The Trustees (who are considered to be key management personnel of the Trust) received no personal remuneration, benefits or reimbursed expenses during the period under review in their capacity as Trustees (2020 None).

THE EARMARK TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

7. Tangible fixed Assets	Land and Buildings	Fixtures and fittings	Total £
Cost			
At 5 April 2020	79,599	12,258	91,857
Additions in the year	-	-	-
At 5 April 2021	£ 79,599	£ 12,258	£ 91,857
Depreciation			
At 5 April 2020	-	11,208	11,208
Charge for the year	-	1,050	1,050
At 5 April 2021	£ -	£ 12,258	£ 12,258
Net book value			
At 5 April 2021	£ 79,599	£ -	£ 79,599
At 5 April 2020	£ 79,599	£ 1,050	£ 80,649

The Trustees agreed to write down the fixtures and fittings in the year rather than depreciate over the remainder of the 15 year period.

The land and buildings comprise of one freehold property which is used by a beneficiary under a licence to occupy.

The property was purchased by the Trust in 1989. The beneficiary residing in the Trust property is not a connected party.

8. Investments

Quoted investments were as follows: (All Listed)	2021 £	2020 £
Fair value at 5 April 2020	809,185	949,984
Add: acquisitions at cost	323,239	228,733
Less: disposals proceeds	(357,251)	(226,122)
- Realised gains/(losses) on investments	35,769	(22,161)
- Unrealised gains/(losses) on revaluation	127,260	(121,250)
Fair value at 5 April 2021	£ 938,202	£ 809,185
Historical cost at 5 April 2021	£ 741,922	£ 730,259
Analysis of investments		
Investment assets in the UK	612,814	622,150
Investments assets outside the UK	325,388	187,035
Fair value at 5 April 2021	£ 938,202	£ 809,185

All investments are listed on a recognised stock exchange.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

9. Debtors

	2021 £	2020 £
Other debtors and prepayments	1,808	1,793
Accrued interest on investments	2,152	1,779
	£ 3,960	£ 3,572

10. Creditors - amounts falling due within one year

	2021 £	2020 £
Accruals	7,175	4,100
Other creditors	205	1,102
	£ 7,380	£ 5,202

11. Analysis of Net Assets Between Funds

Fund balances at 5 April 2021 are represented by:

Unrestricted Funds	Accumulated Income £	Capital £	Total Funds 2021 £
Fixed Assets	321,076	696,725	1,017,801
Current Assets	120,563	-	120,563
Creditors	(7,380)	-	(7,380)
Net Assets	£ 434,259	£ 696,725	£ 1,130,984

The summary of net assets between funds for 5 April 2020 was as follows:

Unrestricted Funds	Accumulated Income £	Capital £	Total Funds 2020 £
Fixed Assets	193,109	696,725	889,834
Current Assets	75,828	-	75,828
Creditors	(5,202)	-	(5,202)
Net Assets	£ 263,735	£ 696,725	£ 960,460

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

12. Fund reconciliation

	Balance 06.04.20 £	Income £	Expenditure £	Gains/ (Losses) £	Balance 05.04.21 £
Accumulated income fund	263,735	25,152	(17,656)	163,028	434,259
Capital fund	696,725	-	-	-	696,725
Total Funds	£ 960,460	£ 25,152	£ (17,656)	£ 163,028	£ 1,130,984

	Balance 06.04.19 £	Income £	Expenditure £	Gains/ (Losses) £	Balance 05.04.20 £
Accumulated income fund	414,803	32,527	(40,184)	(143,411)	263,735
Capital fund	696,725	-	-	-	696,725
Total Funds	£ 1,111,528	£ 32,527	£ (40,184)	£ (143,411)	£ 960,460

13. Transactions with Related Parties

At the year-end there was an outstanding debtor balance of £1,144 (2020: £1,144) in respect of reimbursements for provision for accommodation and support costs due from F C Raven, a Trustee of the Charity. There were no other related party transactions.

14. Employees

The Trust does not employ any staff (2020: none).