

HERVEY BENHAM CHARITABLE TRUST

REGISTERED CHARITY NO: 277578

**ANNUAL REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2022**

Contents

| | Pages |
|--|-------|
| Reference and administrative information | 1 |
| Trustees' report | 2-3 |
| Independent Examiner's report | 4 |
| Statement of financial activities | 5 |
| Balance sheet | 6 |
| Statement of cash flows | 7 |
| Notes to the financial statements | 8-12 |



HERVEY BENHAM CHARITABLE TRUST

1

REFERENCE AND ADMINISTRATIVE INFORMATION AS AT 28 FEBRUARY 2022

REGISTERED CHARITY NO: 277578

TRUSTEES: M R Carr LLB (Chairman)
T M A Kerr
A B Phillips BEM BA CertEd
N Johnston
D A W Allen B Mus., M Mus
S C Lansley

TRUSTEES HOLDING TITLE TO THE PROPERTY OWNED BY THE CHARITY:

M R Carr LLB
A B Phillips BEM BA CertEd
T M A Kerr

CLERK TO THE TRUSTEES: P Guyver

REGISTERED ADDRESS: C/O Sparlings
3 West Stockwell Street
Colchester
Essex CO1 1HQ

WEBSITE: www.herveybenhamtrust.org.uk

| | | |
|-----------------|---|---|
| BANKERS: | The Royal Bank of Scotland plc 45 Head Street COLCHESTER Essex CO1 1NW | CAF Bank Limited Kings Hill WEST MALLING Kent ME19 4TA |
|-----------------|---|---|

INDEPENDENT EXAMINER: D M Aldworth FCCA FMAAT
4 & 5 The Cedars, Apex 12
Apex 12
Old Ipswich Road
COLCHESTER
Essex CO7 7QR

SOLICITORS: Sparlings
3 West Stockwell Street
COLCHESTER
Essex CO1 1HQ

**TRUSTEES' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2022**

The Trustees present their Report for the year ended 28 February 2022, incorporating the reference and administrative information set out on Page 1.

STRUCTURE GOVERNANCE AND MANAGEMENT

1. The Trust was established by Trust Deed on 20 February 1978 when the late Hervey Benham decided to create a trust for charitable purposes.
2. Under this Trust Deed the power to appoint Trustees, of which there must be at least three, is vested in the Trustees for the time being. Up to 2014 all the Trustees have known the founder personally, which has been a planned advantage to the Trust as they have more easily been able to respond at times in the way they knew HB would have done; as time goes by this linkage between Trustees and founder will be more difficult to maintain. The breadth of knowledge between the Trustees over the Trust's areas of activity also needs to be maintained. During the year under review the Trustees continued to consider the issues around Trustee succession.
3. The processes by which the Trust is administered and how the aims and objectives of the fund are met are set out in a Management Protocol document. This also helps maintain the important links for the Trustees with the interest and sympathy of the founder. The Management Protocol document is now supported by separate Financial Controls and a Policies Document covering such areas as: risk management, investments, employing staff, volunteer management, conflicts of interest, safeguarding vulnerable beneficiaries, and complaints handling; all of which are reviewed annually as part of the Trustees' governance cycle.
4. Applications for grants are processed by the Clerk to the Trustees, and decided upon by the Trustees at their meetings (normally quarterly). Four meetings were held during this year, and the Trustees are pleased to see the level of grant activity remain at a good level (also see paragraph 7 below).

OBJECTIVES AND ACTIVITIES

5. The aims of the Trust are, primarily but not exclusively, to support:-
 - 1 Artistic and cultural activities, which benefit the people of Colchester and the Beneficial Area.
 - 2 Individuals with potential artistic talent, across the artforms, who are held back by physical or financial disadvantage or personal circumstances.
 - 3 The preservation of the industrial heritage of Colchester and the Beneficial Area together with the maritime traditions of the Essex and Suffolk coast.
 - 4 The preservation of the local history of Colchester and the Beneficial Area.
 - 5 Preservation and enhancement of the heritage and environment of Colchester and the Beneficial Area.
6. These local interests are supported by grants and loans from the Income Fund.

ACHIEVEMENTS AND PERFORMANCE

7. The total contribution to the Trust's aims authorised in the year to 28th February 2022 amounted to £56,150 as summarised in Note 7.2 (2021: £23,570). This comprised 7 grants as detailed in Note 7.1 (2021: 8 grants).
8. Many applications are received from outside the beneficial area of the Trust, or for purposes which do not fit into the above aims; these are reported to the Trustees and numbered 5 (2021: 3); in addition the Trustees declined 3 applications made in the year (2021: 3).

**TRUSTEES' REPORT - continued
FOR THE YEAR ENDED 28 FEBRUARY 2022****FINANCIAL REVIEW**

9. The attached financial statements (Pages 5 to 12) reflect the Trust's activities for the year and show the current state of the finances, which the Trustees consider to be sound. Cash resources exist to cover all grant commitments.
10. The Trust maintains its capital reserves in order to make grants out of its investment income.
- 11.1 The investment policy as set out at Note 3.1, has been successfully implemented by the Trustees during this year, with an income yield on the Common Investment Fund products of 2.62% (2021: 2.77%). The overall income yield on investments, including the cash deposits part of the portfolio, has been adversely affected by lower dividend payments due to the COVID pandemic, and the low level of interest returns and came out at 2.3% (2021: 2.5%).
- 11.2 The Trustees made no changes in the investment part of the portfolio this year, and continued with similar cash deposits.
- 11.3 Over the year the overall valuation of the Common Investment Fund products increased by 10.4% (2021: increased by 5.2%), against an increase in the FTSE 100 index of 15.4% (2021: fall of 1.5%).
- 11.4 The Trustees continue to be satisfied that their exposure to risk is reduced by the charity specific common investment products used and their current strategy to hold approximately 20% of the total Trust's investments in cash. That balance stands at 15.4% at the end of this year (2021: 17.0%), excluding the instant access cash held as current assets.

INDEPENDENT EXAMINATION

12. The trustees agreed to continue with an Independent Examination but would keep this under review.

STATEMENTS OF TRUSTEES' RESPONSIBILITIES

- 13.1 Charity law 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 for that year. In preparing those financial statements, the Trustees are required to:-
- * select suitable accounting policies and then apply them consistently;
 - * make judgements and estimates that are reasonable and prudent;
 - * prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in business.
- 13.2 The Trustees are responsible for keeping proper accounting records which 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. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.
- 13.3 The Trustees have had regard to the Charity Commission's general guidance on public benefit when reviewing their grant making activities in pursuance of the aims of the Trust.



on behalf of the Trustees

M R Carr (Chairman)

18.05.2022

M.R.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report on the accounts of the charity for the year ended 28 February 2022 which are set out on pages 5 to 12.

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.



D M Aldworth FCCA FMAAT

485 The Cedars
Apex 12
Old Ipswich Road
Colchester CO7 7QR

Dated.....5 July 2022

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 28 FEBRUARY 2022**

| | Note | Unrestricted funds | | Total Funds 2022 | Total Funds 2021 |
|-----------------------------------|------|--------------------|--------------------|--------------------|--------------------|
| | | Income | Capital | | |
| | | £ | £ | £ | £ |
| Income from: | | | | | |
| Investments | 3.3 | 33,458 | - | 33,458 | 33,196 |
| Charitable activities | | | | | |
| Book income received | 9 | 52 | - | 52 | - |
| Grants repaid | 7.3 | 1,213 | - | 1,213 | - |
| Total income | | <u>34,723</u> | <u>-</u> | <u>34,723</u> | <u>33,196</u> |
| Expenditure on: | | | | | |
| Charitable activities | | | | | |
| Grants authorised in year | 7.1 | 56,150 | - | 56,150 | 23,570 |
| Management of property asset | 2 | 3,570 | - | 3,570 | 4,475 |
| Support costs | 8 | 7,231 | - | 7,231 | 6,553 |
| Total expenditure | | <u>66,951</u> | <u>-</u> | <u>66,951</u> | <u>34,598</u> |
| Net gains/(losses) on investments | 3.2 | - | 113,425 | 113,425 | 63,872 |
| Net income/(expenditure) | | <u>(32,228)</u> | <u>113,425</u> | <u>81,197</u> | <u>62,470</u> |
| Transfer between funds | | <u>18,000</u> | <u>(18,000)</u> | <u>-</u> | <u>-</u> |
| | | (14,228) | 95,425 | 81,197 | 62,470 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 14,646 | 1,533,273 | 1,547,919 | 1,485,449 |
| Total funds carried forward | | <u>£ 418</u> | <u>£ 1,628,698</u> | <u>£ 1,629,116</u> | <u>£ 1,547,919</u> |

Continuing operations - all incoming resources and resources expended derive from continuing activities.

Total recognised gains and losses - the SOFA includes all gains and losses recognised in these two years.

No restricted funds were operated during this year.

The notes on pages 8 to 12 form part of these financial statements

HERVEY BENHAM CHARITABLE TRUST

6

BALANCE SHEET AS AT 28 FEBRUARY 2022

| | Note | Unrestricted Funds | | TOTAL | TOTAL |
|---|------|--------------------|--------------------|--------------------|--------------------|
| | | Income | Capital | Funds | Funds |
| | | £ | £ | 2022 | 2021 |
| | | | | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets - freehold property | 2 | 0 | 200,000 | 200,000 | 200,000 |
| Investments | 3 | 0 | 1,424,616 | 1,424,616 | 1,315,317 |
| Programme-related investments | 4 | 254 | 0 | 254 | 254 |
| | | <u>254</u> | <u>1,624,616</u> | <u>1,624,870</u> | <u>1,515,571</u> |
| CURRENT ASSETS | | | | | |
| Sundry debtors | 5 | 9,351 | 0 | 9,351 | 9,469 |
| Cash at Bank | | 55,315 | 4,082 | 59,397 | 52,765 |
| | | <u>64,666</u> | <u>4,082</u> | <u>68,748</u> | <u>62,234</u> |
| CURRENT LIABILITIES | | | | | |
| Sundry creditors | 6 | 50,502 | 0 | 50,502 | 20,886 |
| NET CURRENT ASSETS/(LIABILITIES) | | | | | |
| | | <u>14,164</u> | <u>4,082</u> | <u>18,246</u> | <u>41,348</u> |
| | | 14,418 | 1,628,698 | 1,643,116 | 1,556,919 |
| DEFERRED LIABILITIES | | | | | |
| due after more than one year | 7.5 | 14,000 | 0 | 14,000 | 9,000 |
| TOTAL NET ASSETS | | | | | |
| | | <u>£ 418</u> | <u>£ 1,628,698</u> | <u>£ 1,629,116</u> | <u>£ 1,547,919</u> |
| THE FUNDS OF THE CHARITY | | | | | |
| Unrestricted income funds | | <u>£ 418</u> | <u>£ 1,628,698</u> | <u>£ 1,629,116</u> | <u>£ 1,547,919</u> |

Approved by the Trustees on 18.05.2022
and signed on their behalf by M R Carr

The notes on pages 8 to 12 form part of these financial statements

STATEMENT OF CASH FLOWS
YEAR ENDED 28 FEBRUARY 2022

| | NOTE | TOTAL Funds 2022 £ | TOTAL Funds 2021 £ |
|--|-------------|---------------------------------------|---------------------------------------|
| Cash flows from operating activities: | | | |
| Net cash (used in) operating activities | A | <u>(30,952)</u> | <u>(31,017)</u> |
| Cash flows from investing activities: | | | |
| Investment income | | 33,458 | 33,196 |
| Decrease/(increase) in cash investments | | 4,125 | (657) |
| | | <u>£37,583</u> | <u>£32,539</u> |
| Change in cash and cash equivalents in the reporting period | | 6,631 | 1,522 |
| Reconciliation of cash and cash equivalents: | | | |
| Total brought forward | | 77,765 | 76,243 |
| Total carried forward | B | <u>£84,396</u> | <u>£77,765</u> |

NOTES**A Net cash provided by (used in) operating activities**

| | | |
|--|------------------|------------------|
| Net income/(expenditure) for the reporting period (Page 5) | 81,197 | 62,470 |
| Adjustments for: | | |
| Investment income | (33,458) | (33,196) |
| (Increase) /decrease in investments (unrealised) | (113,425) | (63,872) |
| (Increase)/decrease in debtors | 118 | 704 |
| Increase/(decrease) in creditors | 34,616 | 2,877 |
| | <u>£(30,952)</u> | <u>£(31,017)</u> |

B Analysis of cash and cash equivalents

| | | |
|--|----------------|----------------|
| Bank balances: RBS | 12,318 | 13,310 |
| CAF Bank | 47,078 | 39,455 |
| Notice deposits (less than 3 months): | | |
| CAF 60 Day Account (with Shawbrook Bank) | 25,000 | 25,000 |
| | <u>£84,396</u> | <u>£77,765</u> |

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2022****1 ACCOUNTING POLICIES**

The financial statements have been prepared on the historic cost convention, and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland", and the Statement of Recommended Practice: Accounting and Reporting by Charities "Charities SORP 2019 (FRS 102)", and the Charities Act 2011.

The Hervey Benham Charitable Trust meets the definition of a public benefit entity under FRS 102.

The particular accounting policies adopted are as follows:

(a) Funds structure

Where donors impose a restriction on how their donation may be expended - such expenditure being within the objects of the charity - their donations are credited to a separate Restricted Fund. All other income is credited to Unrestricted Funds to be expended at the Trustees' discretion.

(b) Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources and the monetary value of incoming resources can be measured with sufficient reliability.

(c) Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity 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 charity. Single or multi-year grants are accounted for when the recipient has a reasonable expectation that they will receive a grant.

Governance costs comprise those costs associated with meeting the constitutional and statutory requirements of the charity, and include a proportion of the Clerk's remuneration.

(d) Tangible fixed assets and depreciation

In accordance with FRS 102, fixed asset investment properties should be stated at market value, with no provision made for depreciation. However in the view of the Trustees the cost of obtaining a market value would be onerous compared to the benefit obtained.

A heritage asset received from the founder's successor firm, comprising a (early Richard Stone) portrait of the founder Hervey Benham, is not capitalised as, in the view of the Trustees, the cost of valuation would be onerous compared to the benefit. This portrait is on loan to Theatre Arts Action Trust for display at The Headgate Theatre in Colchester, which this Trust helped to establish and consequently their rehearsal room bears his name.

(e) Investments

Investments are stated at market value, based on the mid price at the date of the balance sheet. All movements in value are shown in the Statement of Financial Activities.

(f) Taxation

The Trust is a charity within the meaning of Section 506(1) of the Taxes Act 1988. Accordingly the Trust is potentially exempt from taxation in respect of income or capital gains to the extent that such income or gains are applied to exclusively charitable purposes. No taxation has been provided for in these financial statements.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

(g) Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe no material uncertainties exist. The trustees have considered the level of funds held and the 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
YEAR ENDED 28 FEBRUARY 2022

2 FREEHOLD PROPERTY

During the year to 28 February 2006 the Trust received a piece of environmental heritage land by legacy from the Estate of Geoffrey Bone, one of the original three Trustees in February 1978. The land is recorded in these accounts at a probate value of £200,000. There was a covenant on the legacy that the Trustees should not dispose of the land within five years of his death in May 2004; this has now time elapsed.

In his Will, Geoffrey Bone also left the Trust a cash legacy of £5,000 for the maintenance of this land; the balance of this restricted fund was expended in the year to 28 February 2009. The management of this asset is now a call on the Trust's Income Fund and amounted to £3,570 in the year (2021: £4,475).

3 INVESTMENTS

3.1 The Investment Policy agreed by the Trustees is to hold approximately 20% of their investment funds in cash assets, with 80% invested in charity Common Investment Fund products. The Trustees look for an income yield of 2.5% per annum, which is distributed as grants, and thereafter seek to at least maintain the real value of the funds. All of these measures have been achieved this year.

3.2 At 28 February 2022 the investments were held as follows:-

| | 2022 | | 2021 | |
|---|----------------------------------|-------------------------------|----------------------------------|-------------------------------|
| | Historical Cost £ | Market Value £ | Historical Cost £ | Market Value £ |
| BlackRock Charities UK Equity Fund A Income | 127,645 | 296,640 | 127,645 | 274,084 |
| IFSL CAF UK Equity Fund B Income | 170,289 | 280,653 | 170,289 | 255,722 |
| SUTL Cazenove Charity Equity Fund A Income | 175,000 | 285,930 | 175,000 | 237,533 |
| CCLA COIF Ethical Investment Fund | 220,000 | 341,869 | 220,000 | 324,329 |
| United Trust Bank 12 month deposit | 85,000 | 85,000 | 85,000 | 85,000 |
| Close Brothers BNA 12M FTD | 0 | 0 | 5,000 | 5,000 |
| CAF 60 Day Account | 25,000 | 25,000 | 25,000 | 25,000 |
| Close Brothers 12 Month Account | 84,524 | 84,524 | 83,649 | 83,649 |
| CAF 12 Month Account | 25,000 | 25,000 | 25,000 | 25,000 |
| | £ 912,458 | £ 1,424,616 | £ 916,583 | £ 1,315,317 |

The carrying amounts of the investments are reconciled as follows:

| | Total £ | Investment Funds £ | Deposits Held £ |
|---|--------------------|-----------------------------------|--------------------------------|
| Balance at 28 February 2021 | 1,315,317 | 1,091,668 | 223,649 |
| Net gains/(losses) on revaluation/transfers | 109,299 | 113,424 | (4,125) |
| Balance at 28 February 2022 | £ 1,424,616 | £ 1,205,092 | £ 219,524 |

3.3 Investment income for the year is received gross and comprises:

| | 2022 £ | 2021 £ |
|-------------------------|-------------------|-------------------|
| Common investment funds | 31,522 | 30,224 |
| Investment interest | 1,929 | 2,962 |
| | 33,451 | 33,186 |
| Bank interest | 7 | 10 |
| | £ 33,458 | £ 33,196 |

4 PROGRAMME-RELATED INVESTMENTS

Collection of Hervey Benham's books (all 15 titles)

| | | |
|--|--------------|--------------|
| | 254 | 254 |
| | £ 254 | £ 254 |

5 SUNDRY DEBTORS

Investment income
Other debtors

| | | |
|--|----------------|----------------|
| | 8,139 | 9,327 |
| | 1,212 | 142 |
| | £ 9,351 | £ 9,469 |

6 CREDITORS - due for payment within one year

Accrued expenses
Grants authorised: but not yet paid (Note 7.4)
but not yet due (Note 7.5)

| | | |
|--|-----------------|-----------------|
| | 2,502 | 3,386 |
| | 9,500 | 9,000 |
| | 38,500 | 8,500 |
| | £ 50,502 | £ 20,886 |

NOTES TO THE FINANCIAL STATEMENTS - continued
YEAR ENDED 28 FEBRUARY 2022

7 GRANTS

7.1 The grants authorised in the year supported and contributed to the following projects over the Trust's four activity areas:-

| | £ | Beneficiaries |
|---|-----------------|---------------|
| (a) Artistic and other activities which benefit the people of Colchester and District | | |
| Victor Batte Lay Foundation - We Are The Minorities | 24,000 | 1 |
| The Dance Network Association | 3,000 | 1 |
| Grand Theatre of Lemmings - Bookworm Project | 1,500 | 1 |
| The Headgate Theatre - New Lift | 21,000 | 1 |
| | <u>49,500</u> | <u>4</u> |
| [2021 | 14,900 | 4] |
| (b) Individuals particularly those with potential artistic talent | | |
| After School Club - literacy programme | 2,000 | 1 |
| Instrument purchase | 1,500 | 1 |
| | <u>3,500</u> | <u>2</u> |
| [2021 | 5,670 | 2] |
| (c) Preservation of Colchester & District's heritage industrial heritage and maritime traditions | | |
| | 0 | 0 |
| | <u>0</u> | <u>0</u> |
| [2021 | 3,000 | 2] |
| (d) Local history and conservation affecting heritage and environment of the area | | |
| Jess Tipper - Publication of timber framed buildings in Colchester book | 3,150 | 1 |
| | <u>3,150</u> | <u>1</u> |
| [2021 | 0 | 0] |
| Total grants for year | £ 56,150 | 7 |
| [2021 | 23,570 | 8] |

7.2 These grants were made for the benefit of:

| | 2022 | 2021 |
|---------------|-------------------|-------------------|
| individuals | 6,650 [3] | 5,670 [2] |
| organisations | <u>49,500 [4]</u> | <u>17,900 [6]</u> |
| £ | <u>56,150 [7]</u> | <u>23,570 [8]</u> |

7.3 This year no grants were withdrawn that had previously been committed.

Note 7 is continued on Page 11

NOTES TO THE FINANCIAL STATEMENTS - continued
YEAR ENDED 28 FEBRUARY 2022

| | | 2022 | 2021 |
|-------------------------------|------------------------|-------------|-------------|
| 9 BOOK INCOME RECEIVED | | | |
| Public Lending Rights: | HWG Benham | 0 | 5 |
| Sale of books: | "Life With The Locals" | 52 | 0 |
| Sale of books (ERO): | "Essex Gold" | 0 | 0 |
| | "A Prospect of Maldon" | 0 | 0 |
| | "Smugglers Century" | 0 | 0 |
| | | <u>£ 52</u> | <u>£ 5</u> |