

**Carrickfergus Literary & Scientific Society
(Union Hall) Trust Fund**

**Annual Report and Financial Statements
for the year ended 5 April 2023**

Charity Commission for Northern Ireland Number NIC103610

Carrickfergus Literary & Scientific Society (Union Hall) Trust Fund

Trustees' Annual Report for the year ended 5 April 2023

The Trustees present the annual report and financial statements for the Carrickfergus Literary & Scientific Society (Union Hall) Trust Fund for the year ended 5 April 2023.

Reference and Administrative Information

Charity Name: Carrickfergus Literary & Scientific Society (Union Hall) Trust Fund

Charity Registration Number: NIC103610

Contact Address: 67 Rodgers Bay
CARRICKFERGUS
BT38 8GG

Charity Trustees

Bob Barr
Mary Boylan
Kerry Bradley
Dessie Graham
Simon Hanna
Peter Howard
Richard Price
Margaret Roy
Jack Crooks (retired February 2023)

Principal Office-bearers

Chairman: Peter Howard
Secretary: Mrs Gillian McConnell
Treasurer: Dessie Graham

Independent Examiner

Karen McIlhatton FCA, 22 Broadway Avenue, Ballymena, BT43 7AA

Bankers

Danske Bank, Donegall Square West, Belfast, BT1 6JS

Solicitors

Johns Elliot, 40 Linenhall Street, Belfast, BT2 8BA

**Trustees' Annual Report
for the year ended 5 April 2023**

Structure, Governance and Management

Governing Document

The Trust is governed by its Trust Deed dated 18 April 1983 as approved by The High Court of Justice in Northern Ireland.

Recruitment and Appointment of Trustees

The Trustees shall be not less than 6 or more than 9 in number.

The Trustees may by resolution from time to time appoint new Trustees provided that the total number of Trustees shall not at any time exceed 9.

A longstanding trustee Mr Jack Crooks retired in February 2023. The remaining Trustees would like to thank him for his work and service to the Charity over the years.

The Trustees appoint, from amongst themselves, a Chairman and Vice Chairman who shall both hold office for three years. The outgoing Chairman and Vice Chairman shall both be eligible for re-election.

The Trustees also appoint an Honorary Secretary, who shall not be a Trustee.

The Trustees are responsible for making decisions on matters of general concern and importance to the charity including deciding how charity funds are to be applied.

Trustees do not receive remuneration, reward, reimbursement for expenses or other private benefit for carrying out their Trustee responsibility. No charitable funds have been used to purchase insurance to indemnify the Trustees against the consequences of any neglect or fault on their part.

Objectives & Activities

The charitable purpose of the Trust is to act as a grant making body providing grant funding to other charities across a number of fields comprising:

- Advancement of education;
- Advancement of the arts, culture, heritage and science;
- Advancement of amateur sport; and
- Advancement of citizenship and community development.

In setting our objectives and planning our activities for the year the Trustees have given careful consideration to The Charity Commission for Northern Ireland's Public Benefit Requirement statutory guidance to ensure that the activities have helped to achieve the charity's purpose and to provide a benefit to the beneficiaries.

**Trustees' Annual Report
for the year ended 5 April 2023**

Objectives & Activities (continued)

The charity's beneficiaries are both other organisations operating within the above-mentioned fields, which are themselves charitable in nature, and the public at large, either resident within or visiting the Carrickfergus Local Authority Area, and no harm flows from its purposes.

The direct benefit which flows from its purposes is the increased availability of funds to other charitable organisations towards fulfilling their purposes, which in turn results in improved access to educational and arts-based resources, enhanced opportunities to participate in amateur sporting and recreational activities, and improved health and safety facilities for the benefit of the public in the locality.

Any private benefit to Trustees may possibly arise from their association with the charity in that they may acquire skills or experience that are transferable to other settings, or which may assist towards obtaining other appointments. These benefits are necessary to ensure delivery of the benefits provided to the charity's beneficiaries but are purely incidental to the purposes of our work.

Achievements & Performance

A summary of the grant applications and grant disbursements for the year is as follows:

	2023	2022
Number of application forms sent out	<u>6</u>	<u>11</u>
Number of application forms received	<u>6</u>	<u>10</u>
Grant applications approved in full	3	9
Grant applications approved in part	-	-
Grant applications declined	<u>3</u>	<u>1</u>
	<u>6</u>	<u>10</u>
Total charitable grants disbursed	<u>£5,100</u>	<u>£19,106</u>

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Achievements & Performance (continued)

The Trustees held two meetings during the year and approved grant payments in respect of the following:

- Contribution towards the cost of the local Grammar School's choir trip;
- Contribution towards the cost of a quieter play area for pupils with Autism Spectrum disorder at a local primary school;
- Contribution towards the cost of uniforms for a local Napoleonic Drum band.

Financial Review

A list of charitable grants disbursed is as follows:

	2022	2022
	£	£
Carrickfergus Grammar School Choir	1,900	
Carrickfergus Model Primary School PTA	1,400	
Sir Henry Inglesby's Fife & Drum Corps	1,800	
Third Carrickfergus Band	-	2,500
County Antrim Yacht Club	-	5,000
Carrickfergus & District Probus Club	-	600
Whitehead Coastal Rowing Club	-	1,760
Star of Knockagh Accordion Band	-	2,000
Carrickfergus Sea Cadets	-	2,700
Carrickfergus Sailing Club	-	1,440
Charles Shiels Community	-	1,650
Whitehead Ladies' Choir	-	1,456
	<u>5,100</u>	<u>19,106</u>

The Trust's principal source of income is the return from its investment portfolio.

Following on from a significant change in investment strategy during 2020 (on the advice of the portfolio managers), income generation reduced substantially. The Trustees advised the portfolio managers in writing and then in a face-to-face meeting that this investment strategy did not meet the financial needs of the Trust and asked them to change the investment strategy so as to increase income generated, but no significant change was made to the profile of the investment portfolio until the final quarter of 2021, by which time the Trust's income was at a level that did not cover its operating costs.

In an attempt to provide liquid funds for the Trustees, the portfolio managers paid out cash from the Trust's capital funds even though the Independent Examiner had advised them that this should not be done under the Trust's Rules. The Trustees received this money in good faith that this was income

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out of which they could pay charitable grants, and they approved the payment of charitable grants in due course. This practice continued during part of the year ended 5th April 2023.

As a result of the work undertaken by the Independent Examiner in respect of the financial year ended 5 April 2022 this reduction in the Trust's capital came to light. As soon as they were made aware of this issue the Trustees met with the portfolio managers and removed them from their position as advisors. The portfolio was liquidated and placed with new advisors in February 2023. Furthermore, the Trustees intend to seek financial redress from their previous portfolio managers.

Market factors, including the financial impact of the global COVID-19 pandemic, in conjunction with the Trust's Rules have impacted on the Trust's finances. The Trustees did not act inappropriately and did not intentionally break the Trust's Rules, nor did they intentionally reduce the capital funds of the Trust.

Expenditure reduced during this year due to a reduction in the amount of charitable grants approved, although investment fees increased due to the transfer of the investment portfolio.

The reserve of endowment funds continues to be in surplus with an adequate level of net current assets for the continuation of operational activities. The income fund is £19,528 in deficit at 5 April 2023 and the Trustees aim to repay the capital and to return the income fund to a surplus position in future years as income and charitable grants permit. In addition, the Trustees will consider a request to The Charity Commission for Northern Ireland to amend the Trust's Rules regarding the allocation of costs between income and capital funds.

There are no other areas of financial concern noted by Trustees.

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Reserves Policy

The Trust's reserves policy is as follows:

"If any income is not expended by the Trustees in any one year, one half thereof shall be transferred to the capital of the Trust Funds and shall not subsequently be treated as income, and the remaining one half may be applied and expended by the Trustees as income of the Trust Funds in the immediately following year, but if not so expended by them as aforesaid, then it shall be transferred also to the capital of the Trust Funds and shall not subsequently be treated as income".

The Trustees' aim is to retain a level of unrestricted (income) reserves which matches its needs at the current time and in the foreseeable future, coupled with retaining a level of endowment (capital) reserves to produce sufficient annual income to cover its expenditure on charitable grant disbursements and administrative costs (i.e. to ensure that the charity has enough resources to fund its charitable objectives and to hold sufficient resources to meet all of its commitments). The Trustees believe that our reserves policy is both responsible and prudent but have not specified a particular level of reserves to be held.

At 5 April 2023 the charity had a deficit in unrestricted funds of £19,528. This is below what is regarded as an appropriate level and the Trustees aim to return the income fund to a surplus position in future years as income and charitable grants permit. The charity also held endowment funds costing £440,991 (£433,782 at valuation).

Funds held as custodian trustee on behalf of others

There are no funds held as custodian trustee on behalf of others.

Approved by the charity trustees and signed on their behalf,

W P Howard
Chairman



Date:

8th January 2024