

JOHN HORNIMAN'S CHILDREN'S TRUST

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

MYRUS SMITH
Chartered Accountants

Norman House,
8 Burnell Road,
Sutton, Surrey.
SM1 4BW

JOHN HORNIMAN'S CHILDREN'S TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

CONTENTS

Pages:

| | |
|----------|--------------------------------------|
| 1 | Legal and Administrative Information |
| 2 to 8 | Trustees' Annual Report |
| 9 to 10 | Independent Auditors Report |
| 11 | Statement of Financial Activities |
| 12 | Balance Sheet |
| 13 to 17 | Notes to the Financial Statements |

JOHN HORNIMAN'S CHILDREN'S TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

The John Horniman's Convalescent Home was established under a Declaration of Trust dated 26 December 1889. The Charity Commission sealed a scheme dated 12 May 2004 which altered the Trusts of the Charity now to be known as John Horniman's Children's Trust and for its administration.

| | |
|---|--|
| Trustees | Heather Brayshaw Mary Bullard Paul High (Chair) Val McFarlane (Deputy Chair) Liza Phipps Kate Sewell Sue Sharpe Shirley Torrens Stephen Wright (Treasurer) |
| Secretary | Bal Saini |
| Principal Address | 176 Stoney Lane Springfield, Birmingham. B12 8AN |
| Charity Commission Registered Number | 222730 |
| Auditors | Myrus Smith Norman House 8 Burnell Road Sutton Surrey. SM1 4BW |
| Bankers | Barclays Bank PLC 114 Fenchurch Street London. EC3P 3HY |
| Solicitors | Staffurth & Bray 85 Aldwick Road Bognor Regis. PO21 2NT Hunters 9 New Square Lincoln's Inn London. WC2A 3QN |
| Independent Investment Advisor | Quilter Cheviot One Kingsway London WC2B 6AN |

JOHN HORNIMAN'S CHILDREN'S TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees present their annual report along with Financial Statements of the charity for the year ended 31 December 2018. The Financial Statements have been prepared in accordance with the accounting policies set out on page 12 and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The Financial Statements have been prepared on the historical cost basis with the exception of investments which are valued as at the date of the Balance Sheet.

Objectives and activities for the public benefit

The objectives of the Trust are to the relief of sickness and the advancement of education of children who are sick, convalescent, or have learning disabilities. 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 and setting the grant making policy for the year. The criteria for awarding grants are:-

Criteria for grants

All grants must contribute to the aims of the John Horniman's Children's Trust, namely:

The relief of sickness, and the advancement of education of children who are sick, convalescent, or have learning disabilities.

The Trustees will give priority to projects:

- run by Quaker charities or bodies, or organisations with historical connections to Quakers;
- which can be introduced by a member or attender of a Quaker meeting personally;
- known to the Trustees;
- which fulfil the objects of our trust;
- which work with children up to the age of 19 years old.

Applications are welcome from charities:

- that are well established or;
- that are newly formed and may be working towards registered status;
- that operate within the UK.

What we will not fund

While in general principle the Trustees would not be prepared to fund work unless there is a reassurance that it will be entirely focused on the needs of children, they are however always prepared to look at any special circumstances. They feel however that grants towards the following are unlikely to fall within their remit:

- Adapting buildings to provide disability access.
- All age disabled support groups.
- General youth work.
- Another organisation that dispenses funds to a third party.
- Applications from or on behalf of individuals

JOHN HORNIMAN'S CHILDREN'S TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Continued/.....

Our expectations following the granting of any award.

Grants can be awarded for up to 3 years on an annual review basis. We anticipate that annual grants awarded will be between £1,000 and £5,000 per annum. Recipients are asked to send a report of their activities (annual report) for the year of the grant award. We hope that most projects will be monitored by individual Horniman Trustees or by our local contact (eg Local Quaker Meeting).

Since 2003, as matters of general practice, the Trustees have:

- Devised and implemented a grants application procedure.
- Invited, received and screened grant applications.
- Awarded grants for a range of causes.
- Agreed a sensible monitoring system by Trustees to ensure that a grant be used for the intended purpose.
- Determined to spend the proceeds of investment effectively within the framework of the Trust's aims.
- In 2009 Trustees agreed to allocate almost all the income derived from investments (retaining only enough to cover administration and governance expenses) on a half yearly basis, allowing maximum public benefit to sick children. However, since 2013 and due to the significant increase in the number of applications for grants, the Trustees have also used some of the gains on investments held in order to meet this increased demand.

Achievements and performance

During the year, grants have been made to:

Bobath Children's Therapy Centre in Wales £5,000

To assist the work of Bobath Children's Therapy Centre in Wales in supporting 2 babies on the Early Intervention Project.

Bolton Lads and Girls Club £2,000

To enable many children with disabilities to engage in exciting inclusion youth club activities in after school hours.

Chailey Heritage Foundation £4,000

To help the charity complete the part-purchase of a Wheelchair Accessible Vehicle to transport children with disabilities for educational, care, and transition services.

Chickenshed Theatre £5,000

To run weekly open access and holiday workshops for children and young people 5-12 years old, who would like to experience performing arts opportunities within an inclusive environment.

Cystic Fibrosis £5,000

Funding towards the development and production of a set of digital and hardcopy information resources to empower young people with cystic fibrosis aged 12 to 16 to make a successful and healthy transition from paediatric to adult CF care.

Douglas Bader Foundation £3,000

Funding to support another 10 children with disabilities, and their families, to enjoy a day's flying within the Bader's Braves programme.

Family Action £4,000

Support towards the charity's provision of outings and supervision for two children with Global Development Delay.

JOHN HORNIMAN'S CHILDREN'S TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Continued/.....

Footsteps Foundation £4,500

Towards work the charity undertakes to help children with disabilities to face their huge personal hurdles with inspirational dignity and perseverance.

Hamlet Charity £5,000

To support Hamlet Charity in their work of providing a Lead Children's and Families Practitioner who has continued to offer much needed support to parents of children with profound disabilities and complex health needs at the point of diagnosis or before they receive a diagnosis.

Haven House Children's Hospice £5,000

To assist with the provision of extended physiotherapy treatments; Satellite sessions, In-House sessions and an On-Call physiotherapist.

Helen & Douglas House £5,000

A contribution to the maintenance of your Nursing Outreach Team which provides a service to children, young adults and their families.

Howard League for Penal Reform £4,000

Funding towards the cost the telephone helpline system used by so many children.

I CAN £5,000

Funding to support the charity's Occupational Therapy at Dawn House, Nottinghamshire to enable it to continue making a positive difference to the lives of children it helps.

I Matter Child & Family Bursary Scheme £5,000

To support five local schools in Cumbria.

Keech Hospice Care £5,000

Funding towards the charity's Music Therapy Service which offers vital pre- and post- bereavement support to child patients, child siblings and adult relatives and to provide palliative, supportive and end-of-life care.

Living Paintings Trust £5,000

To help with the costs of providing the charity's free postal library of *Touch to See* books for blind and partially sighted children in the UK.

London Philharmonic Orchestra £3,000

Support for the LPO *Sound Journeys* project to bring music to children with Special Needs and other disabilities, via a journey accompanied by professional musicians and teachers, is much appreciated.

London Symphony Orchestra £3,000

An award to the LSO in support of their Musical Inclusion Programme.

Megan Baker House £5,000

To support children with a wide range of motor disabilities including, cerebral palsy, acquired brain injury and dyspraxia through Conductive Education classes attended weekly and in the school holidays.

Mousetrap Theatre £5,000

To support the work of the Mousetrap Theatre during its programmes of Explore and Theatre Journey for children and young people who would not normally access theatre on account of their learning and medical issues.

Museum of London £3,705

A grant towards the Morning Explorers Programme, accredited by the National Autistic Society.

Music in Hospitals & Care £4,250

To support Music in Hospitals in the Manchester area to fund 15 live sessions.

JOHN HORNIMAN'S CHILDREN'S TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Continued/.....

National Autistic Society £1,500

A grant towards the cost of an additional trampoline at Addison School, Chigwell.

Norton Hall Children & Family Centre £3,000

Continuing support for the Mentoring Programme and Drawing and Talking Therapy, in support of children with a range of disabilities, including: ADHD, Autism, Learning Difficulties, Hyper Kinetic Disorder, Visual and Hearing impairments, Mobility difficulties and Global Developmental Delay.

Polka Theatre £4,000

To support the work of Polka Theatre in their provision of an Access Programme that benefits teachers/carers and the children's families as well as the children directly.

Rainbow Trust Children's Charity £5,000

Award to support to fund a Family Support Worker in the Cumbria and North Lancashire team to work with families who have a child with a life threatening or terminal illness.

Richard House Children's Hospice £5,000

To support the work of Richard House in their provision of a palliative care nurse for six weeks, who will provide specialist care for children with life-limiting illnesses from some of the most deprived boroughs in the UK.

Sheffield MENCAP & Gateway £5,000

A grant towards "Shine out on Saturdays" a performing arts group for children with learning disabilities.

SHINE £5,000

To support the charity's invaluable education support service for children (and their families) who have Spina Bifida and Hydrocephalus.

Sebastian's Action Trust £4,500

To support The Bluebells for action packed activities for children in end of life care and their families.

Sick Children's Trust £5,000

The provision of a grant to help to fund the costs of operating SCT's 'Home from Home' at the Royal Victoria Infirmary (RVI) in Newcastle upon Tyne, Crawford House, supporting some of the sickest children from across the North of England and their families.

Tall Ships Youth Trust £5,000

Funding for the charity's work in providing sailing challenges and life skills to 20 children with disabilities this year.

University Hospitals Coventry & Warwickshire £3,000

To provide funding towards the continued provision of an annual music programme for the children in the care of the University Hospitals of Coventry and Warwickshire.

V & A Museum of Childhood £3,000

Funding towards the charity's delivery of 4 Quiet Days during the school year that will benefit directly up to 500 children and young people with special educational needs and disabilities, by enabling them to be part of an educational visit to the museum.

Well Child £5,000

To support a Well Child Specialist Nurse at Derby Hospital.

Wessex Children's Hospice £5,000

A grant to alleviate the distress of children with end of life conditions and their families.

JOHN HORNIMAN'S CHILDREN'S TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Continued/.....

Whoopsadaisy £4,000

To support the work of Whoopsadaisy in Brighton with their provision of holiday schemes of conductive education for up to 18 families.

Winston's Wish £2,750

To support the costs of a residential group for bereaved teenagers in Sussex in March 2019.

Yellow Submarine Holidays £5,000

To support the work of Yellow Submarine in their provision of residential holidays for young people with learning disabilities in Oxfordshire.

Financial Review

The Trust is reliant on the income from its investments, the income from which was £58,342 (2017: £59,577). There were net realised and unrealised losses on investments of £142,277 (2017: Profit £158,163). Payment of grants during the year totalled £166,205 (2017: £175,150). The balance of funds at 31 December 2018 was £1,799,918 (2017: £2,074,328).

Investment Policy

The Trust's investment strategy was changed following approval by the Charity Commission to the use of a Total Return approach on the permanent endowment. Our investment advisors use a discretionary management basis and have been instructed to invest in a portfolio which will maximise the Total Return with medium risk. The Trustees have adopted an ethical investment policy and have instructed our investment advisors to exclude investments in companies involved in the following areas:

- The production or dealing in armaments
- Businesses which are deemed harmful to the environment e.g. oil production and mining
- Gambling
- Pornography
- Companies which have a questionable human rights history.

Reserves Policy

The Trustees aim to receive an annual income from investments of £80,000, to retain an amount to meet commitments for grants.

The Trustees may also apply some of the unapplied total return to respond to applications for grants and to cover support costs. Unrestricted funds at 31 December 2018 amounted to £488,191 (2017: £552,280) of which £472,706 (2017: £546,836) was represented by investments. The Trustees consider that the current level of reserves is adequate for the needs of the charity.

Risk Management

The Trustees have reviewed the major risks to which the Trust is exposed and are satisfied that systems are in place to mitigate the exposure to these risks.

Plans for the Future

To continue the present policy relating to grants and to decide on the level of grants made available from total return.

JOHN HORNIMAN'S CHILDREN'S TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Continued/.....

Structure, Governance and Management

The John Horniman Convalescent Home was established under a Declaration of Trust dated 26 December 1889; a home for the reception, care, treatment, education and training of children who are sick, convalescent, or have learning disabilities. From 1950, the premises were leased to the Invalid Children's Aid Nationwide as a school for children with speech and language difficulties. The school was closed in 2003 and the premises sold in 2004.

The Charity Commission, by an order dated 12 May 2004, changed the name to John Horniman's Children's

Trust and its objects were the relief of sickness and the advancement of education of children who are sick, convalescent, or have learning disabilities.

The Charity Commission on 30 March 2005 permitted the Trust to adopt a total return in relation to the permanent endowment investments.

Trustees are appointed by the Trustee body and shall be members of the Religious Society of Friends and may be re-appointed for further triennium. The Charity Commission Order provides that there should be not more than nine and not less than three Trustees.

The Trustees normally meet twice a year when they agree the broad strategy and areas of activity for the Trust including consideration of grant making, investment, reserves and risk management policies and performance. The day to day administration of grants and the processing and handling of applications is delegated to the Secretary.

JOHN HORNIMAN'S CHILDREN'S TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Continued/.....

Induction

A Trustee who is newly appointed will have been well known to some Trustees. They will have been made familiar with the objectives and activities.

Trustees' Responsibilities in relation to the Financial Statements

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 that the charity will continue in operation.

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.

Auditors

Myrus Smith are appointed auditors of the Financial Statements for the year.

On behalf of the Trustees

Paul High
Chair of Trustees

Dated: 2019

Independent Auditor's Report to the Trustees of:
JOHN HORNIMAN'S CHILDRENS TRUST

Opinion

We have audited the financial statements of John Horniman's Children's Trust (the 'charity') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Trustees of:

JOHN HORNIMAN'S CHILDRENS TRUST

Continued/....

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Norman House,
8 Burnell Road,
Sutton,
Surrey.
SM1 4BW

MYRUS SMITH
Chartered Accountants
and Statutory Auditor

Date: 2019

Myrus Smith is eligible to act as an auditor in terms of section 1212 Companies Act 2006.

JOHN HORNIMAN'S CHILDREN'S TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018

| | Notes | Unrestricted Fund £ | Endowment Fund £ | Total Funds 2018 £ | Total Funds 2017 £ |
|--|-------|---------------------------|------------------------|--------------------------|--------------------------|
| Income and endowments | | | | | |
| Investment Income: | | | | | |
| Dividends - UK & Overseas Equities | 3 | 10,546 | 28,388 | 38,934 | 39,887 |
| Interest – UK & Overseas Fixed Interest | 3 | 4,984 | 13,886 | 18,870 | 19,632 |
| Interest on cash deposits | 3 | 66 | - | 66 | 13 |
| Donations | | 472 | - | 472 | 45 |
| Total income | | <u>16,068</u> | <u>42,274</u> | <u>58,342</u> | <u>59,577</u> |
| Expenditure | | | | | |
| Cost of raising funds: | | | | | |
| Investment management costs | | 3,171 | 6,514 | 9,685 | 10,493 |
| Expenditure on charitable activities: | | | | | |
| Conference | | 2,557 | - | 2,557 | - |
| Grants to institutions | | 166,205 | - | 166,205 | 175,150 |
| Support costs | 4 | 6,014 | 6,014 | 12,028 | 12,200 |
| Total expenditure | | <u>177,947</u> | <u>12,528</u> | <u>190,475</u> | <u>197,843</u> |
| Net (expenditure)/income before investment gains/(losses) | | (161,879) | 29,746 | (132,133) | (138,266) |
| Net (losses)/gains on investments | 5 | (37,096) | (105,181) | (142,277) | 158,163 |
| Net income/(expenditure) | | (198,975) | (75,435) | (274,410) | 19,897 |
| Transfers between funds | 8 | 134,886 | (134,886) | - | - |
| Net movement in funds | | (64,089) | (210,321) | (274,410) | 19,897 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 552,280 | 1,522,048 | 2,074,328 | 2,054,431 |
| Total funds carried forward | | <u>£488,191</u> | <u>£1,311,727</u> | <u>£1,799,918</u> | <u>£2,074,328</u> |

All income and expenditure derive from continuing activities.

The notes on pages 13 to 17 form part of these Financial Statements

JOHN HORNIMAN'S CHILDREN'S TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2018

| | Notes | 2018 | | 2017 | |
|--|-------|---------------|-------------------|---------------|-------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Investments | 5 | | 1,784,433 | | 2,068,884 |
| CURRENT ASSETS | | | | | |
| Debtors | 6 | 897 | | 1,855 | |
| Cash at bank – current account | | 1,000 | | 955 | |
| Cash at bank – deposit account | | 15,388 | | 8,404 | |
| | | <u>17,285</u> | | <u>11,214</u> | |
| LIABILITIES | | | | | |
| Creditors: amounts falling due within one year | 7 | 1,800 | | 2,770 | |
| | | | <u>15,485</u> | | <u>8,444</u> |
| NET CURRENT ASSETS | | | | | |
| | | | <u>15,485</u> | | <u>8,444</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| | | | 1,799,918 | | 2,077,328 |
| Provisions for liabilities and charges | 9 | | - | | (3,000) |
| | | | <u>1,799,918</u> | | <u>2,074,328</u> |
| NET ASSETS | | | | | |
| | 10 | | <u>£1,799,918</u> | | <u>£2,074,328</u> |
| The funds of the Charity | | | | | |
| Endowment funds – Permanent | | | 1,311,727 | | 1,522,048 |
| Unrestricted income funds | | | 488,191 | | 552,280 |
| | | | <u>1,799,918</u> | | <u>2,074,328</u> |
| TOTAL CHARITY FUNDS | | | | | |
| | | | <u>£1,799,918</u> | | <u>£2,074,328</u> |

These Financial Statements have been approved by the Trustees and signed on their behalf by:

.....
 Paul High
 Chair of Trustees

Date: 2019

The notes on pages 13 to 17 form part of these Financial Statements

JOHN HORNIMAN'S CHILDREN'S TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES

Basis of accounting

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 (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), 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 with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

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.

Income recognition

All incoming resources are included in the Statement of Financial Activities when the charity 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 earned through holdings of listed investments and includes dividends and interest. Income from listed investments is recognised as the charity's right to receive payment is established. Bank interest is recognised on a receivable basis.

Donations are recognised when the charity has been notified of the amounts and the settlement date in writing and it is probable that the donor will fulfil their stated obligations. If these conditions are not met the donation is recognised when received.

Expenditure recognition

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:

- Costs of raising funds which comprise investment management fees relating to the charity's portfolio of listed investments (Of the £10,493 expense in 2017, £3,520 was charged to unrestricted funds and £6,973 to endowment funds).
- Expenditure on charitable activities which primarily comprise of grants to third parties in furtherance of the charity's objects.

Grants are recognised as an expense when the trustees have agreed to award the payment without condition and the recipient has a reasonable expectation of receipt. Grants are paid out of the charity's unrestricted funds.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value (quoted market value on a recognised stock exchange) with changes recognised in the Statement of Financial Activities if the investments are publicly traded or their fair value can otherwise be measured reliably.

JOHN HORNIMAN'S CHILDREN'S TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES cont...

Fund accounting

Unrestricted general funds are those funds which are freely available for use in furtherance of the objects of the charity and which have not been designated for specific purposes.

Endowment funds represent those assets which must be held permanently by the charity. The charity has adopted a total return approach to the investment of those funds. Investment management costs and a proportion of support costs are charged against endowment funds.

2. RELATED PARTY TRANSACTIONS AND TRUSTEES' REMUNERATION

Trustees received no emoluments. Travel expenses totalling £727 (2017: £596) were reimbursed to 6 (2017: 9) Trustees.

3. INVESTMENT INCOME – COMPARATIVE INFORMATION

| | Unrestricted Fund £ | Endowment Fund £ | Total 2017 £ |
|---|---------------------------|------------------------|--------------------|
| Dividends - UK and Overseas Equities | 10,797 | 29,090 | 39,887 |
| Interest - UK and Overseas Fixed Interest | 5,172 | 14,460 | 19,632 |
| Interest on cash deposits | - | 13 | 13 |
| | <u>£15,969</u> | <u>£43,563</u> | <u>£59,532</u> |

4. SUPPORT COSTS

| | 2018 £ | 2017 £ |
|---------------------------------|----------------|----------------|
| Secretary's salary and expenses | 8,055 | 7,906 |
| Office Rent | 1,440 | 1,440 |
| Trustees' expenses | 727 | 596 |
| Room hire and sundry | 6 | 488 |
| Auditor's remuneration | 1,800 | 1,770 |
| | <u>£12,028</u> | <u>£12,200</u> |

Support costs are allocated equally between the Unrestricted and Endowment Funds. Of the £12,200 support costs incurred in 2017 £6,100 was charged to Unrestricted Funds and £6,100 was charged to Endowment Funds.

Of the £197,843 total expenditure incurred in 2017, £184,770 was charged to Unrestricted Funds and £13,073 was charged to Endowment Funds.

JOHN HORNIMAN'S CHILDREN'S TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

CONTINUED

5. FIXED ASSET INVESTMENTS

The types of investments held at 31 December 2018 and 2017 and their market values were:

| | 2018 | 2017 |
|------------------------------------|-------------------|-------------------|
| | £ | £ |
| Shares in public limited companies | 779,932 | 938,787 |
| Unit Trusts | 439,761 | 537,710 |
| Fixed Interest | 532,308 | 552,793 |
| | <u>1,752,001</u> | <u>2,029,290</u> |
| Cash held by Quilter Cheviot | 32,432 | 39,594 |
| | <u>£1,784,433</u> | <u>£2,068,884</u> |
| Historical cost | <u>£1,482,872</u> | <u>£1,585,868</u> |

The investments are held in the UK.

The movement in market value during the year was:

| | £ | £ |
|--|-------------------|-------------------|
| Market value at 1 January 2018 | 2,068,884 | 2,036,634 |
| Disposals at opening market value | (125,083) | (67,014) |
| Acquisitions at cost | 29,249 | 442 |
| Change in value in the year | (181,455) | 130,125 |
| (Decrease) in cash awaiting investment | (7,162) | (31,303) |
| Market value at 31 December 2018 | <u>£1,784,433</u> | <u>£2,068,884</u> |

Of the £158,163 net gain on investments in 2017, £44,319 related to unrestricted funds and £113,844 related to endowment funds.

6. DEBTORS

| | 2018 | 2017 |
|---|-------------|---------------|
| | £ | £ |
| Outstanding dividends and other debtors | 897 | 823 |
| Income tax repayment | - | 1,032 |
| | <u>£897</u> | <u>£1,855</u> |

JOHN HORNIMAN'S CHILDREN'S TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

CONTINUED

7. CREDITORS:

Amounts falling due within one year

| | 2018 | 2017 |
|------------------------|---------------|---------------|
| | £ | £ |
| Auditors' Remuneration | 1,800 | 1,770 |
| ICAN – donation | - | 1,000 |
| | <u>1,800</u> | <u>2,770</u> |
| | <u>£1,800</u> | <u>£2,770</u> |

8. APPLICATION OF THE POWER OF TOTAL RETURN

The Charity Commission permitted the Trust to adopt the use of total return in relation to its permanent endowment investments on 30th March 2005. The power permits the Trustees to invest the portfolio to maximise total return and to apply an appropriate portion of the total return to income each year. Until the power is exercised to transfer a portion of unapplied total return to income (as disclosed below), the unapplied total return remains invested as part of the Permanent Endowment.

| | 2018 | 2017 |
|---|-------------------|-------------------|
| | £ | £ |
| The investment fund and application of total return to permanent endowment funds: | | |
| Unapplied total return | 1,322,048 | 1,301,217 |
| Add: Investment return: Dividends and interest | 42,274 | 43,563 |
| Realised and unrealised gains/(losses) | (105,181) | 113,844 |
| | <u>1,259,141</u> | <u>1,458,624</u> |
| Less: Investment management costs | (6,514) | (6,973) |
| Support costs | (6,014) | (6,100) |
| | <u>1,246,613</u> | <u>1,445,551</u> |
| Unapplied total return before transfer to income | 1,246,613 | 1,445,551 |
| Less: Unapplied total return applied | (134,886) | (123,503) |
| | <u>1,111,727</u> | <u>1,322,048</u> |
| Subtotal: Unapplied total return as at 31 December 2018 | 1,111,727 | 1,322,048 |
| Original value of gift | 200,000 | 200,000 |
| | <u>1,311,727</u> | <u>1,522,048</u> |
| Permanent endowment including unapplied total return as at 31 December 2018 | <u>£1,311,727</u> | <u>£1,522,048</u> |

JOHN HORNIMAN'S CHILDREN'S TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

CONTINUED

9. PROVISIONS FOR LIABILITIES AND CHARGES

| | Charitable Commitments Accrued | |
|---|--------------------------------------|-----------|
| | 2018 £ | 2017 £ |
| Material provisions and movement in provisions during the year | | |
| Commitments outstanding at 1 January 2018 | 3,000 | - |
| New commitments charged to the SOFA in the year | 166,205 | 175,150 |
| Grants paid in the year | (169,205) | (172,150) |
| | £Nil | £3,000 |
| Amount of the commitments at 31 December 2018 | £Nil | £3,000 |
| Timing of commitment | | |
| | £ | £ |
| Payable in under 1 year | - | 3,000 |
| Payable over 1 year | - | - |
| | £Nil | £3,000 |
| | £Nil | £3,000 |

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Fund £ | Endowment Fund £ | Total £ |
|----------------|---------------------------|------------------------|------------|
| Investments | 472,706 | 1,311,727 | 1,784,433 |
| Current assets | 17,285 | - | 17,285 |
| Creditors | (1,800) | - | (1,800) |
| | £488,191 | £1,311,727 | £1,799,918 |
| | £488,191 | £1,311,727 | £1,799,918 |

The endowment fund is a fund, which may be applied for the unrestricted purposes of the Trust, as determined by the Trustees from time to time.

Comparative information for the analysis of net assets between funds in the previous year is as follows:

| | Unrestricted Fund £ | Endowment Fund £ | Total £ |
|----------------|---------------------------|------------------------|------------|
| Investments | 546,836 | 1,522,048 | 2,068,884 |
| Current assets | 11,214 | - | 11,214 |
| Creditors | (5,770) | - | (5,770) |
| | £552,280 | £1,522,048 | £2,074,328 |
| | £552,280 | £1,522,048 | £2,074,328 |