

JOHN HORNIMAN'S CHILDREN'S TRUST

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020

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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) Emma Killick (Appointed 24 November 2020) Val McFarlane (Deputy Chair) Liza Phipps Kate Sewell Sue Sharpe Shirley Torrens Stephen Wright (Treasurer)
Secretary	Bal Saini
Principal Address	The Warehouse 54 - 57 Allison Street Birmingham, B5 5TH.
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 Senator House 5 Queen Victoria Street London, EC4V 4AB

JOHN HORNIMAN'S CHILDREN'S TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report along with Financial Statements of the charity for the year ended 31 December 2020. The Financial Statements have been prepared in accordance with the accounting policies set out on pages 13 and 14 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 2020

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 (e.g. 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:

Ashford Family Nursery £3,000

To support the shortfall of nursery fees that families are unable to pay, which are not covered by the Government voucher scheme.

Auditory Verbal UK £2,500

To continue support for your work in helping more profoundly deaf children learn to listen and speak as equals to their hearing peers through Auditory Verbal therapy.

Back Up Trust £5,000

Continuation of Education Inclusion service to those children with Spinal Cord injuries.

Bendrigg Trust £4,000

Provision of day adventures for families with disabled children. We know that residential visits and the 'Bendrigg Buzz' will be even more appreciated when they can safely resume.

Create £3,500

Funding for the Tandem workshop project that will provide artists who can bring "authenticity and specialist support to the young people" in the Maudsley Hospital Unit.

English Touring Opera £3,500

Support towards English Touring Opera's *How to find your name* programme for outreach to 17 schools catering for Special Educational Needs and Disabilities, nationwide.

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Continued/.....

Flute Theatre £5,000

Contribution towards The Flute Theatre's programme of performances specifically designed for children on the Autistic Spectrum, which are continuing throughout the lockdown period.

Heart 'n Soul £2,500

To provide activities on the *Do your own thing* activity programme, once a month for up to 35 children in Lewisham.

Invalid Children's Aid Nationwide: ICAN £3,000

Funding of a Family Support Worker at Meath School, so that the children with the most severe forms of speech, language and communication needs (SLCN) can thrive.

Keech Hospice Care £3,500

Support towards the work of a talented Music Therapist in relieving the distress of children with life threatening conditions.

Kids Can Achieve £2,300

Funding for a Water Wall in the play area.

Living Paintings Trust £3,500

To support the postal Library Service to blind and partially sighted children, their parents and teachers which has continued throughout the Covid 19 lockdown.

London Philharmonic Orchestra £3,000

Towards the costs of delivering the 2020/21 LPO Open Sound Ensemble, the Orchestra's out of school inclusive music project.

London Symphony Orchestra £3,000

Funding for Musical Inclusion Days for children and their families.

Marches Family Network £4,000

To enable children and young people with disabilities, to participate in activities with their friends running 'bubble' systems in 2 different locations in Herefordshire.

Music in Hospital & Care £3,500

Funding towards professionally delivered concerts bringing therapeutic benefits of live music to children in hospitals, special schools and outreach groups.

NANSA (Norfolk and Norwich Scope Association) £3,000

Funding for the All Aboard programme which provides families of children with disabilities and /or special educational needs with a wide range of support.

Noah's Ark Children's Hospice £3,500

To support the appointment of a Special Carer to work within the 24/7 Acute Symptoms Management Department of the Hospice.

Otakar Kraus Music Trust £3,000

A grant to enable 4 children to receive OK Music Therapy for 36 weeks in term-time during 2020 (on line?) until July 2021 as conditions permit.

Pepper Foundation £1,000

A grant towards work of the charity's home-based support for children with terminal illnesses and their families.

Peter Pan Centre £3,500

To support the work of a Specialist Practitioner in Communication skills to work in Newcastle-under-Lyme with vulnerable and disabled children.

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Continued/.....

Seashell Trust £3,000

Towards the cost of 10 VR headphones to be used with children and young people who have limited functional speech.

Sheffield MENCAP and Gateway £2,500

For the charity's continuing work in preparing young people with disabilities for a brighter and fairer life.

Sick Children's Trust £4,000

A grant towards the running costs of Crawford House, helping to keep families together, reducing financial worries and making sure families can stay close by their child's bedside.

Step by Step £3,500

To enable use of the wheelchair-friendly minibus to deliver sports packs and activity packs during this Covid-19 lockdown period, to your clients who would normally use the Centre.

Tall Ships Youth Trust £3,500

To assist Tall Ships Youth Trust through a difficult financial period so that it can be up and sailing as soon as they are allowed to resume operations for young sailors with disabilities.

Theodora Children's Charity £5,000

Funding towards virtual visits, activities and giggle-o-grams to children in hospitals whilst hospital visits by the Giggle Doctors are suspended during the pandemic.

Tiny Tim's Children's Centre £2,000

To continue support to help the charity continue the provision of Tiny Tim's Children's Centres therapy services to meet the needs of otherwise isolated families.

Whoopsadaisy £4,000

To support the holiday clubs for babies and children with motor disorders like cerebral palsy.

Woodland Centre Trust £3,000

To support the Woodland Centre Trust with the management costs of their outdoor facilities for use by groups of children from Special Schools during termtime.

Yellow Submarine £4,000

Continuation of support for The Yellow Submarine residential holidays for 11-18 year olds who have learning disabilities and autism to gain confidence in a different environment

Financial Review

The Trust is reliant on the income from its investments, the income from which was £39,078 (2019: £57,192). There were net realised and unrealised losses on investments of £35,830 (2019: Gain £247,895). Payment of grants during the year totalled £103,300 (2019: £143,450). The balance of funds at 31 December 2020 was £1,819,462 (2019: £1,940,132).

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

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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 2020 amounted to £493,910 (2019: £529,405) of which £488,178 (2019: £506,285) 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.

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.

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).

JOHN HORNIMAN'S CHILDREN'S TRUST
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FOR THE YEAR ENDED 31 DECEMBER 2020

Continued/.....

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: 3.6.2021

Independent Auditor's Report to the Trustees of:

JOHN HORNIMNA'S CHILDREN'S TRUST

Opinion

We have audited the financial statements of John Horniman's Children's Trust (the 'charity') for the year ended 31 December 2020 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 2020 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 ISA_s (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.

Independent Auditor's Report to the Trustees of:

JOHN HORNIMAN'S CHILDRENS TRUST

Continued.....

We have nothing to report in this regard.

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

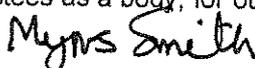
We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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: 14 June 2021

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 2020

	Notes	Unrestricted Fund £	Endowment Fund £	Total Funds 2020 £	Total Funds 2019 £
Income and endowments					
Investment Income:					
Dividends - UK & Overseas Equities	3	7,173	18,729	25,902	36,262
Interest – UK & Overseas Fixed Interest	3	3,487	9,644	13,131	20,630
Interest on cash deposits	3	45	-	45	105
Donations		-	-	-	195
Total income		<u>10,705</u>	<u>28,373</u>	<u>39,078</u>	<u>57,192</u>
Expenditure					
Cost of raising funds:					
Investment management costs		1,987	5,465	7,452	7,783
Expenditure on charitable activities:					
Conference		310	-	310	-
Grants to institutions		103,300	-	103,300	143,450
Support costs	4	6,428	6,428	12,856	13,640
Total expenditure		<u>112,025</u>	<u>11,893</u>	<u>123,918</u>	<u>164,873</u>
Net (expenditure)/income before investment gains/(losses)		(101,320)	16,480	(84,840)	(107,681)
Net losses/(gains) on investments	5	(9,120)	(26,710)	(35,830)	247,895
Net income/(expenditure)		<u>(110,440)</u>	<u>(10,230)</u>	<u>(120,670)</u>	<u>140,214</u>
Transfers between funds	8	74,945	(74,945)	-	-
Net movement in funds		<u>(35,495)</u>	<u>(85,175)</u>	<u>(120,670)</u>	<u>140,214</u>
Reconciliation of funds					
Total funds brought forward		529,405	1,410,727	1,940,132	1,799,918
Total funds carried forward		<u>£493,910</u>	<u>£1,325,552</u>	<u>£1,819,462</u>	<u>£1,940,132</u>

All income and expenditure derive from continuing activities.

The notes on pages 12 to 16 form part of these Financial Statements

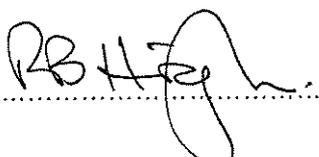
JOHN HORNIMAN'S CHILDREN'S TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Investments	5		1,813,730		1,917,012
CURRENT ASSETS					
Debtors	6		-		1,139
Cash at bank – current account			1,000		1,000
Cash at bank – deposit account			6,666		22,781
			<u>7,666</u>		<u>24,920</u>
LIABILITIES					
Creditors: amounts falling due within one year	7		1,934		1,800
NET CURRENT ASSETS			<u>5,732</u>		<u>23,120</u>
			-		-
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,819,462</u>		<u>1,940,132</u>
Provisions for liabilities and charges	9		-		-
			-		-
NET ASSETS	10		<u><u>£1,819,462</u></u>		<u><u>£1,940,132</u></u>
			=		=
The funds of the Charity					
Endowment funds – Permanent			1,325,552		1,410,727
Unrestricted income funds			493,910		529,405
			-		-
TOTAL CHARITY FUNDS			<u><u>£1,819,462</u></u>		<u><u>£1,940,132</u></u>
			=		=

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



 Paul High
 Chair of Trustees

Date: 3.6. (June) 2021
 PHH

The notes on pages 12 to 16 form part of these Financial Statements

JOHN HORNIMAN'S CHILDREN'S TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 in October 2019, 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 £7,783 expense in 2019, £2,075 was charged to unrestricted funds and £5,708 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 2020

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 £112 (2019: £729) were reimbursed to 2 (2019: 8) Trustees.

3. INVESTMENT INCOME – COMPARATIVE INFORMATION

	Unrestricted Fund £	Endowment Fund £	Total 2019 £
Dividends - UK and Overseas Equities	9,859	26,403	36,262
Interest - UK And Overseas Fixed Interest	5,430	15,200	20,630
Interest on cash deposits	105	-	105
	<u>£15,394</u>	<u>41,603</u>	<u>£56,997</u>

4. SUPPORT COSTS

	2020 £	2019 £
Secretary's salary and expenses	8,572	8,510
Office rent	2,250	1,161
Room hire and sundry	92	816
Website costs	-	624
Governance		
Trustees' expenses	112	729
Auditor's remuneration	1,830	1,800
	<u>£12,856</u>	<u>£13,640</u>

Support costs are allocated equally between the Unrestricted and Endowment Funds. Of the £13,640 support costs incurred in 2019 £6,820 was charged to Unrestricted Funds and £6,820 was charged to Endowment Funds.

Of the £164,873 total expenditure incurred in 2019, £152,345 was charged to Unrestricted Funds and £12,528 was charged to Endowment Funds.

JOHN HORNIMAN'S CHILDREN'S TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

CONTINUED

5. FIXED ASSET INVESTMENTS

The types of investments held at 31 December 2020 and 2019 and their market values were:

	2020	2019
	£	£
Shares in public limited companies	848,894	924,901
Unit Trusts	417,882	403,657
Fixed Interest	528,360	563,544
	<u>1,795,136</u>	<u>1,892,102</u>
Cash held by Quilter Cheviot	18,594	24,910
	<u>£1,813,730</u>	<u>£1,917,012</u>
Historical cost	<u>£1,334,360</u>	<u>£1,402,460</u>

The investments are held in the UK.

The movement in market value during the year was:

	£	£
Market value at 1 January 2020	1,917,012	1,784,433
Disposals at cost	(167,371)	(170,255)
Acquisitions at cost	105,590	97,365
Change in value in the year	(35,185)	212,991
(Decrease) in cash awaiting investment	(6,316)	(7,522)
Market value at 31 December 2020	<u>£1,813,730</u>	<u>£1,917,012</u>

Of the £247,895 net gain on investments in 2019, £64,092 related to unrestricted funds and £183,803 related to endowment funds.

6. DEBTORS

	2020	2019
	£	£
Prepayments	-	310
Outstanding dividends and other debtors	-	829
	<u>£NIL</u>	<u>£1,139</u>

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7. CREDITORS:

Amounts falling due within one year

	2020	2019
	£	£
Accruals	104	-
Auditors' Remuneration	1,830	1,800
	<u>£1,934</u>	<u>£1,800</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.

	2020	2019
	£	£
The investment fund and application of total return to permanent endowment funds:		
Unapplied total return	1,210,727	1,111,727
Add: Investment return: Dividends and interest	28,373	41,603
Realised and unrealised gains/(losses)	(26,710)	183,803
	<u>1,212,390</u>	<u>1,337,133</u>
Less: Investment management costs	(5,465)	(5,708)
Support costs	(6,428)	(6,820)
	<u>1,200,497</u>	<u>1,324,605</u>
Unapplied total return before transfer to income		
Less: Unapplied total return applied	(74,945)	(113,878)
	<u>1,125,552</u>	<u>1,210,727</u>
Subtotal: Unapplied total return as at 31 December 2020		
Original value of gift	200,000	200,000
	<u>£1,325,552</u>	<u>£1,410,727</u>
Permanent endowment including unapplied total return as at 31 December 2020		

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9. PROVISIONS FOR LIABILITIES AND CHARGES

	Charitable Commitments Accrued	
	2020 £	2019 £
Material provisions and movement in provisions during the year		
Commitments outstanding at 1 January 2020	-	-
New commitments charged to the SOFA in the year	103,300	143,450
Grants paid in the year	(103,300)	(143,450)
	<u>£NIL</u>	<u>£NIL</u>
Amount of the commitments at 31 December 2020	<u>£NIL</u>	<u>£NIL</u>

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Fund £	Endowment Fund £	Total £
Investments	488,178	1,325,552	1,813,730
Current assets	7,666	-	7,666
Creditors	(1,934)	-	(1,934)
	<u>£493,910</u>	<u>£1,325,552</u>	<u>£1,819,462</u>

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	506,285	1,410,727	1,917,012
Current assets	24,920	-	24,920
Creditors	(1,800)	-	(1,800)
	<u>£529,405</u>	<u>1,410,727</u>	<u>£1,940,132</u>