

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member – Policy and Resources
Date of Decision:	26 September 2014
Decision Title:	Charities' Annual Accounts for 2013/14
Decision Reference:	6078
Report From:	Director of Corporate Resources – Corporate Services

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1. Executive Summary

- 1.1. Under the Charities Act 2006, every charity must prepare accounts on its activities and make them available on request. Charities whose gross income exceeds £25,000 must also send a completed Trustees' Annual Report (TAR) to the Charity Commission within ten months of the end of the charity's financial year.
- 1.2. Given that none of the charities covered in this report have a gross annual income which exceeds £25,000, the approval of the accounts of the charities by the Executive Member on behalf of the County Council as sole trustee satisfies the reporting requirements.

2. Issues covered in the Report

- 2.1. During 2013/14, there were four charities registered with the Charity Commission for which the County Council has acted as sole trustee, and which were under the remit of the Executive Member (Policy and Resources). There are certain other charities, for which the Council acts as trustee, which have different reporting lines for approval of the accounts. The trusts covered by this report are:

- The Michael Austin Harlick Trust Fund
- The Dayas Music Scholarship Trust Fund
- The Hampshire Mentally Handicapped Persons' Holiday Organisation
- The Mace Educational Trust.

- 2.2. Trusts with investment balances invest in a mix of managed unit trusts established for charities in line with the County Council's investment policy for trust funds agreed by the former Charities Panel in July 1998. The Charibond and Charinco funds are both invested in a range of fixed-interest and index-linked bonds, which produce a relatively high income yield. The investment in Charifund gives the trusts exposure to equities, which can have more variable yields but provide more scope for growth in the Trusts' capital.
- 2.3. Both bond and equity funds have produce relatively good income returns in 2013/14 of around 5%, with bonds returning slightly more than equities. It has been a poor year for bond markets though, with the market value of the Trusts' bond funds falling by 6% to 7%. Conversely equity markets have risen and the Trusts' Charifund funds' capital values have risen by over 10%.

3. Trust fund accounts

Michael Austin Harlick Trust Fund

- 3.1. Michael Austin Harlick was an ex-prisoner of war from Gosport who established a trust in his will to be used for the provision of medals, challenge cups and trophies for the children of Hampshire schools, and for the encouragement of pupils in all forms of sporting activity.
- 3.2. The accounts attached in Appendix 1A show the trust has maintained its healthy financial position, although the Trust's income from investments was £12,400 and its expenses in grants paid were £17,300, the Trust still has a reasonable cash balance of £33,200.

Dayas Music Scholarship Trust Fund

- 3.3. Although the County Council is sole trustee, this trust is administered by the Hampshire Music Service in consultation with the Director of Children's Services, Director of Corporate Resources, Chief Executive and County Music Adviser.
- 3.4. It was established in 1978 under the will of Mary Gwendolyn Sayer Hayton (nee Dayas). It provides music scholarships, preferably, but not necessarily, for pianoforte, for applicants living in Hampshire.
- 3.5. Accounts for the trust are shown in Appendix 1B. The accounts show the trust is in a financially strong position. There has been relatively little, only £371, spent on grants in 2013/14 and the total income from investments of £5,100 is significantly greater than total expenditure; therefore the cash balance has risen to £15,900.

Hampshire Mentally Handicapped Persons' Holidays Organisation

- 3.6. This Trust is administered by the Adult Services and Corporate Services Departments and is available to improve the holiday accommodation facilities for adults with mental disabilities at Orchard Close in Hayling Island.

- 3.7. As previously agreed all of the Trust's funds have been used to contribute towards a new sensory facility that was installed at Orchard Close in 2013/14. Now that the funding has been used the Trust is closed.

The Mace Educational Trust

- 3.8. This Trust was established in 2000 under the will of Evelyn Mace. Income to the Trust is used for the provision of scholarships for higher education for students under 25 who are, or have been, in the care of Hampshire County Council, and for scholarships for students due to start a drama or poetry higher education course.
- 3.9. All grants made have been subject to the specific approval of the Executive Member (Policy and Resources) and the trust is administered in the Corporate Services Department. Accounts for the Trust are shown in Appendix 1D.
- 3.10. The Trust's expenditure on grants of £7,650 was higher than its income from investments of £5,450, however the Trust is still retaining a reasonable cash balance of £8,200, in addition to its other investments.

4. Legal implications

- 4.1. The County Council is no longer required to supply to the Charity Commission annual statements of account and reports for the smaller charities for which it acts as Trustee, which have a gross annual income of less than £25,000 a year.
- 4.2. These small charity accounts must be approved directly by the Executive Member (Policy and Resources) on behalf of the County Council as sole trustee.

5. Financial implications

- 5.1. There are no financial implications for the County Council.

6. Conclusion

- 6.1. The proposals set out in the report will enable the Council to fulfil its obligations under charities law.

7. Recommendation

- 7.1. That the accounts for the charities listed below for 2013/14 be approved:
- Michael Austin Harlick Trust Fund
 - Dayas Music Scholarship Trust Fund
 - Hampshire Mentally Handicapped Persons' Holiday Organisation
 - Mace Educational Trust.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

This proposal does not link to the Corporate Strategy but, nevertheless, requires, under the Charities Act 2006, a decision to approve the accounts and reports appended to this report because the County Council acts as sole trustee to the charities mentioned in the report.

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 – background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

1.3. Equality objectives are not considered to be adversely affected by the proposals in this report.

2. Impact on Crime and Disorder:

2.1. The proposals in this report are not considered to have any direct impact on the prevention of crime.

3. Climate Change:

a) How does what is being proposed impact on our carbon footprint / energy consumption?

No specific impact.

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific impact.

Michael Austin Harlick Trust Fund
Registered Charity Number: 900351

Accounts from 1 April to 31
 March

	2012/13 £	2013/14 £
Fund Balance as at 1 April	262,773	260,786
Income		
Income from Charibond	8,717	8,717
Income from Charinco	2,281	2,053
Income from Charifund	1,589	1,637
Return of cheques	320.00	
	12,907	12,407
Expenditure		
Grant payments	14,894	17,290
Fund Balance as at 31 March	260,786	255,903
Represented by:		
Investment at cost (see below)	222,666	222,666
Cash Balance	38,120	33,237
	260,786	255,903

INVESTMENTS (13/14)

Holding	Stock	Book Cost £	Market Price as at 31.03.2014 £	Market Value as at 31.03.2014 £
134,533	Charibond	163,850	1.23	165,879
22,8056	Charinco	39,518	1.83	41,735
2,564	Charifund	19,298	14.53	37,243
		222,666		244,857

The Dayas Music Scholarship Trust Fund
Registered charity number: 280413

Accounts from 1 April to 31 March

	2012/13 £	2013/14 £
Fund balance as at 1 April	98,521	101,848
Dividends and interest on investments	5,241	5,104
Less: Award payments	1,914	371
Less: Hampshire Music Service - Administration of Trust	0	600
Fund balance as at 31 March	<u>101,848</u>	<u>105,981</u>
Investments at cost (see below)	90,074	90,074
Cash balance	11,774	15,907
	<u>101,848</u>	<u>105,891</u>

Market Value of Investments

Holding	Stock	Book Cost £	Market Price as at 31/03/14 £	Market Value as at 31/03/14 £
27,653	Charibond	31,531	1.23	34,097
18,559	Charinco	32,801	1.83	33,962
2,571	Charifund	25,742	14.53	37,352
		<u>90,074</u>		<u>105,411</u>

Hampshire Mentally Handicapped Persons Holiday Organisation - (Orchard Close)
Registered charity number: 216037

Accounts from 1 April to 31 March

	2012/13 £	2013/14 £
Fund Balance as at 1 April	42,812	42,812
Add income during period	0	0
Less payments during period	0	42,812
Fund Balance as at 31 March	<u>42,812</u>	<u>0</u>
Represented by:		
Cash balance	42,812	0
	<u>42,812</u>	<u>0</u>

Appendix 1D

MACE Educational Trust

Accounts from 1 April to 31 March

	2012/13 £	2013/14 £
Fund Balance as at 1 April	109,005	108,911
Income		
Income from Charifund	1,520	1,566
Income from Charibond	3,886	3,886
Cheque returned	750	
	6,156	5,452
Expenditure		
Grant payments	6,250	7,650
Fund Balance as at 31 March	108,911	106,713

Represented by:

Investment at cost	98,500	98,500
Cash Balance	10,411	8,213
	108,911	106,713

Market Value of Investments (2013/14)

Holding	Stock	Book Cost £	Market Price as at 31.03.14 £	Market Value as at 31.03.14 £
2,454	Charifund	24,500	14.53	35,645
59,968	Charibond	74,000	1.23	73,941
		98,500		109,586