

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member – Policy and Resources
Date of Decision:	1 December 2010
Decision Title:	Charities' Annual Accounts for 2009/10
Decision Reference:	2300
Report From:	County Treasurer and Chief Executive

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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. Prior to this year, the requirement to submit a completed TAR applied to any charity whose gross income exceeded £10,000 and it was necessary to submit a report on behalf of the Michael Austin Harlick Trust Fund. As a result of the increase in the limit to £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. At the start of 2009/10, there were six 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 the subject of this report are:

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

Organisation

- The T Houghton Trust
- The Mace Educational Trust
- The Portal Prize Fund.

2.2. For information, an Executive Member (Policy and Resources) decision of 29 January 2009 wound up two of the smaller, disused trusts of the Portal Prize Fund and the T Houghton Trust, and apply the remaining funds towards modified charitable purposes. These monies were transferred to a programme identified by the Director of Children's Services and Perins School respectively in September 2009.

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 trust is invested 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 trust exposure to equities, which produce a lower yield but provide scope for growth in the trust's capital. This should produce a rising level of income over the long term.
- 3.3. The accounts attached at Appendix 1A show the trust to be in a healthy position, with expenditure contained well within its income, and the value of its investments well in excess of their book cost.

Dayas Music Scholarship Trust Fund

- 3.4. 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, County Treasurer, Chief Executive and County Music Adviser.
- 3.5. 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.
- 3.6. Accounts for the trust are shown at Appendix 1B. It is invested in a mix of investments in line with the County Council's policy. The accounts show the trust to be in a healthy position, with expenditure contained well within its income, and the value of its investments well in excess of their book cost.

Hampshire Mentally Handicapped Persons' Holidays Organisation

- 3.7. This trust is administered by the Adults' Services and County Treasurer's Departments. It is used when required to improve the holiday accommodation facilities for adults with mental disabilities at Orchard Close in Hayling Island.
- 3.8. The accounts are attached at Appendix 1C. The funds are held entirely on deposit with the County Council, as the demands on the trust have proved to be unpredictable.

The T. Houghton Trust

- 3.9. This trust was available for use by Perins School, New Alresford, for the provision of prizes to pupils.
- 3.10. Accounts for the trust are attached at Appendix 1D. It was relatively little used, so was partly invested in Charinco, a bond-based unit trust. The remainder was held on deposit with the County Council. This is in line with the County Council's policy for funds which are used irregularly, where the prime objective is to maintain their real capital value and income. This trust fund has since been wound up, with monies transferred in September 2009 to Perins School for modified charitable purposes.

The Mace Educational Trust

- 3.11. 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 drama scholarships for students due to start a drama or poetry course of higher education.
- 3.12. Accounts for the Trust are shown at Appendix 1E. It is administered in the County Treasurer's Department, although all grants made have been subject to the specific approval of the Executive Member (Policy and Resources).
- 3.13. It is invested in line with the County Council's policy for the investment of trust funds, with 25% invested in a share-based unit trust (Charifund) and the remainder in a bond-based trust (Charibond).

The Portal Prize Fund

- 3.14. The Portal Prize Fund was established in 1944. A revised scheme was agreed by the Charity Commission in 1970, and its primary objective was the promotion of a wider knowledge of Commonwealth countries amongst secondary school pupils in Hampshire.
- 3.15. Accounts for the Fund are shown at Appendix 1F. During the 1990s, considerable use was made of this trust following concerted action by the Chief Executive and County Treasurer to make schools aware of its availability. However, in the last seven or so years it had fallen back into disuse. Its income was very small at only £413 in 2008/09. It was mainly invested in bond-based charitable unit trusts, with the balance held on deposit with the County Council. This trust fund has since been wound up, with monies transferred in September 2009 to a programme identified by the Director of Children's Services for modified charitable purposes.

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 charities for which it acts as Trustee. This former statutory obligation has been removed for smaller charities, given that the gross annual income threshold has increased from £10,000 to £25,000 for financial years ending on or after 1 April 2009.
- 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 charitable accounts for 2009/10 be approved.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	No
Corporate Business plan link number (if appropriate):	
Maximising well-being:	No
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	No
Corporate Business plan link number (if appropriate):	
OR	
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.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. 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

	2008/09 £	2009/10 £
Fund Balance as at 1 April	255,885.29	258,943.34
Income		
Income from Charibond	10,224.52	10,224.52
Income from Charinco	2,280.64	2,280.64
Income from Charifund	1,914.03	1,461.99
Interest on cash balance	885.68	0.00
Refund on grant	0.00	121.00
	15,304.87	14,088.15
Expenditure		
Special Awards	4,250.00	2500.00
Gosport School Sports Partnership	318.00	175.00
Test Valley School	100.00	100.00
Hampshire Schools Special Needs Sport	35.00	0.00
Brighton Hill Community Sports College	95.00	350.00
Presentation Evening & Certificates	0.00	3,050.00
Gosport and Fareham School Sports Association	0.00	603.99
Portsmouth School Sports Partnership	0.00	750.00
HSSNSA	0.00	160.00
Hampshire Schools RFU	0.00	561.71
Football	3,208.57	1,785.79
Netball	127.68	99.98
Basketball	607.58	331.71
Cricket	751.54	954.63
Trampoline	139.61	98.94
Table Tennis	244.98	284.00
Rugby	602.90	0.00
Athletics	1,015.64	683.26
Golf	186.42	0.00
Swimming	563.90	713.71
Gymnastics	0.00	500.00
Taekwondo	0.00	188.53
	12,246.82	13,891.25
Fund Balance as at 31 March	258,943.34	259,140.24

Represented by:

Investments at cost (see below)	222,666.17	222,666.17
Cash balance	36,277.17	36,474.07
	<u>258,943.34</u>	<u>259,140.24</u>

Market Value of Investments (2009/10)

Holding	Stock	Book Cost	Market Price as at 31.03.10	Market Value as at 31.03.10
		£	£	£
134,533.00	Charibond	163,850.00	1.2330	165,879.19
22,805.88	Charinco	39,518.02	1.818	41,461.09
2,564.00	Charifund	19,298.15	11.10713	28,478.68
		<u>222,666.17</u>		<u>235,818.96</u>

The Dayas Music Scholarship Trust Fund

Registered charity number: 280413

Accounts from 1 April 2009 to 31 March 2010

2008/09 £		£	2009/10 £
86,340.38	Fund balance at 1 April 2009		88,737.00
	Plus income during period		
	Dividends and interest on investments	4,569.90	
	Interest on balances held by Hampshire County Council	<u>0.00</u>	
5,293.18			4,569.90
	Less payments made during period		
2,596.56	Award payments		1,480.25
300.00	Hampshire Music Service - Administration of Trust		300.00
<u>88,737.00</u>	Fund balance at 31 March 2010		<u>91,526.65</u>
	Represented by:		
75,074.56	Investments at book cost		75,074.56
13,662.44	Cash balance		16,452.09
<u>88,737.00</u>			<u>91,526.65</u>

Market Value of Investments (2009/10)

Holding	Stock	Book Cost £	Market Price at 31/03/10 £	Market Value at 31/03/10 £
21,521.00	Charibond	24,031.20	1.233	26,535.39
2,248.00	Charifund	21,991.28	11.10713	24,968.83
16,524.96	Charinco	29,052.08	1.818	30,042.38
		<u>75,074.56</u>		<u>81,546.60</u>

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

Accounts from 1 April to 31 March

	2008/09 £	2009/10 £
Fund Balance as at 1 April	41,707.08	42,812.32
Income		
Interest on cash balances	1,105.24	0.00
	1,105.24	0.00
Expenditure		
	0.00	0.00
Fund Balance as at 31 March	<u>42,812.32</u>	<u>42,812.32</u>
Represented by:		
Cash balance	42,812.32	42,812.32
	<u>42,812.32</u>	<u>42,812.32</u>

Appendix 1D

T Houghton
Registered charity number: 307279

Accounts from 1 April to 31 March

		(Transferred Sept 2009)
	2008/09 £	2009/10 £
Fund Balance as at 1 April	4,078.22	4,249.09
Income		
Income from Charinco	113.92	28.48
Interest on cash balances	56.95	0.00
Profit on sale of Charinco	0.00	63.93
	170.87	92.41
Transfer to Perins School	0.00	4,341.50
Fund Balance as at 31 March	4,249.09	0.00
Represented by:		
Investments at cost	1,975.58	0.00
Cash balance	2,273.51	0.00
	4,249.09	0.00

Appendix 1E

Mace Educational Trust

Accounts from 1 April to 31 March

	2008/09 £	2009/10 £
Fund Balance as at 1 April	113,507.93	113,498.19
Income		
Income from Charifund	1,831.92	1,399.28
Income from Charibond	4,557.56	4,557.56
Interest on cash balances	400.78	0.00
	6,790.26	5,956.84
Expenditure		
Awards	6,800.00	6,500.00
	6,800.00	6,500.00
Fund Balance as at 31 March	<u>113,498.19</u>	<u>112,955.03</u>
Represented by:		
Investments at cost	98,500.00	98,500.00
Cash balance	14,998.19	14,455.03
	<u>113,498.19</u>	<u>112,955.03</u>

Market Value of Investments (2009/10)

Holding	Stock	Book Cost	Market Price as at 31.3.10	Market Value as at 31.3.10
		£	£	£
2,454.00	Charifund	24,500.00	11.10713	27,256.90
59,968.00	Charibond	74,000.00	1.2330	73,940.54
		<u>98,500.00</u>		<u>101,197.44</u>

Appendix 1F

Portal Prize Fund
Registered charity number: 307290

Accounts from 1 April to 31 March

	2008/09 £	(Transferred Sept 2009) 2009/10 £
Fund Balance as at 1 April	8,219.97	8,633.41
Income		
Income from Charibond	133.40	33.35
Income from Charinco	200.60	50.15
Interest on cash balances	79.44	0.00
Profit on sale of Charibond	0.00	144.58
Profit on sale of Charinco	0.00	126.47
	413.44	354.55
Transfer to Children's Services	0.00	8,987.96
Fund Balance as at 31 March	8,633.41	0.00
Represented by:		
Investments at cost	5,364.50	0.00
Cash balance	3,268.91	0.00
	8,633.41	0.00