

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Executive Member – Policy and Resources
Date of Decision:	19 January 2012
Decision Title:	Charities' Annual Accounts for 2010/11
Decision Reference:	3558
Report From:	County Treasurer

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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 2010/11, 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 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 Mace Educational Trust.

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 broadly in line with its income, and the value of its investments 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 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 Mace Educational Trust

- 3.9. 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.

- 3.10. Accounts for the Trust are shown at Appendix 1D. 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).
- 3.11. 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).

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 2010/11 be approved.

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. 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

	2009/10 £	2010/11 £
Fund Balance as at 1 April	258,943	259,140
Add income during period		
Income from Charibond	10,224	9,848
Income from Charinco	2,281	2,280
Income from Charifund	1,462	1,465
Interest on cash balance held by Hampshire County Council	0	0
Refund on grant	121	0
	14,088	13,593
Less payments during period		
Award payments	13,891	14,748
Fund Balance as at 31 March	259,140	257,985

Represented by:

Investments at cost (see below)	222,666	222,666
Cash balance	36,474	35,319
	259,140	257,985

Market Value of Investments

Holding	Stock	Book Cost	Market Price as at 31/03/11	Market Value as at 31/03/11
		£	£	£
134,533.00	Charibond	163,850	1.2160	163,592
22,805.88	Charinco	39,518	1.821	41,529
2,564.00	Charifund	19,298	11.6216	29,798
		222,666		234,919

The Dayas Music Scholarship Trust Fund

Registered charity number: 280413

Accounts from 1 April to 31 March

	2009/10 £	2010/11 £		
Fund balance as at 1 April	88,737	91,527		
Add income during period				
Dividends and interest on investments	4,570	4,696		
Interest on cash balance held by Hampshire County Council	0	0		
	4,570	4,696		
Less payments during period				
Award payments	1,480	1,292		
Hampshire Music Service - Administration of Trust	300	300		
Fund balance as at 31 March	<u>91,527</u>	<u>94,631</u>		
Represented by:				
Investments at cost (see below)	75,075	90,075		
Cash balance	16,452	4,556		
	<u>91,527</u>	<u>94,631</u>		
Market Value of Investments				
Holding	Stock	Book Cost	Market Price as at 31/03/11 £	Market Value as at 31/03/11 £
		£		
27,653.462	Charibond	31,531	1.216	33,627
2,571.488	Charifund	25,742	11.6216	29,885
18,558.584	Charinco	32,802	1.821	33,795
		<u>90,075</u>		<u>97,307</u>

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

Accounts from 1 April to 31 March

	2009/10 £	2010/11 £
Fund Balance as at 1 April	42,812	42,812
Add income during period		
Interest on cash balance held by Hampshire County Council	0	0
	0	0
Less payments during period		
Expenditure	0	0
	0	0
Fund Balance as at 31 March	<u>42,812</u>	<u>42,812</u>
Represented by:		
Cash balance	42,812	42,812
	<u>42,812</u>	<u>42,812</u>

Mace Educational Trust

Registered charity number: 1078888

Accounts from 1 April to 31 March

	2009/10 £	2010/11 £
Fund Balance as at 1 April	113,498	112,955
Add income during period		
Income from Charifund	1,399	1,402
Income from Charibond	4,558	4,390
Interest on cash balance held by Hampshire County Council	0	0
	5,957	5,792
Less payments during period		
Award payments	6,500	6,150
Fund Balance as at 31 March	112,955	112,597
Represented by:		
Investments at cost (see below)	98,500	98,500
Cash balance	14,455	14,097
	112,955	112,597

Market Value of Investments

Holding	Stock	Book Cost £	Market Price as at 31/3/11 £	Market Value as at 31/3/11 £
2,454.00	Charifund	24,500	11.62160	28,519
59,968.00	Charibond	74,000	1.2160	72,921
		98,500		101,440