

P. H. HOLT

FOUNDATION

Annual Report and Financial Statements

For the Year Ended 31 March 2017

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Legal and Administrative Information

Company Limited by Guarantee, Registered in England and Wales

Company Number 5731598

Registered Charity Number 1113708

Directors and Charity Trustees

- Elspeth Christie
- Martin Cooke
- Paige Earlam (resigned 01/08/17)
- Nicola Eastwood (resigned 09/12/16)
- Anthony Hannay (resigned 09/12/16)
- Amy de Joia
- Neil Kemsley
- Ian Matthews
- Kenneth Ravenscroft
- Ian Bakewell (appointed 16/09/16)
- Lesley Martin-Wright (appointed 16/09/16)
- Chris Evered (appointed 09/12/16)

Company Secretary Elspeth Christie

Administrator Anne Edwards

Email administrator@phholtfoundation.org.uk

Registered Office 151 Dale Street
Liverpool
L2 2AH

Telephone and fax 0151 237 2663

Website www.phholtfoundation.org.uk

Bankers Barclays Bank plc
Liverpool City Business Centre
48b-50 Lord Street
Liverpool
L1 2TD

Legal and Administrative Information

Investment Managers

Ruffer LLP
80 Victoria Street
London
SW1E 5JL

Troy Asset Management Limited
Brookfield House
40 Davies Street
London
W1K 5JA

Kennox Asset Management Limited
23 Melville Street
Edinburgh
EH3 7PE

Tilney BestInvest
Royal Liver Building
Liverpool
L3 1NY

Independent Auditors

Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
Royal Liver Building
Liverpool
L3 1PS

Solicitors

Brabners LLP
Horton House
Exchange Flags
Liverpool
L2 3YL

Chairman's Statement

The Foundation is receiving a record number of applications as charities in the region find it harder and harder to secure funds. During this time of increased requests, it is vital that we have the expertise to manage our returns on investment. I am humbled that in these tough times, we met those challenges and kept dispersing more funds.

P.H. Holt Foundation is dedicated to supporting community, education, arts, and heritage activities that meet our grant criteria. Trustees are satisfied that the scope of applications funded are giving inspiration and vital support to thousands of people living in our communities across Merseyside.

In early 2017, we completed year two of our three-year education programme, supporting students undertaking STEM subjects. The programme, and the education strategy, is subject to ongoing review, and I would like to thank Ken Ravenscroft for the time he is devoting to this work for the Foundation. I would also like to thank the Trustees who each play a vital role in ensuring that our governance meets the scrutiny of today's regulatory framework. Without the active support of Trustees volunteering their time freely, the Foundation would be stretched to support so many worthwhile charities in Merseyside.

This year, we said farewell to two long-standing Trustees who have served the Foundation over a sustained period. We thank Nicola Eastwood and Anthony Hannay for their dutiful service and steadfast commitment; they will be sorely missed. We are immensely grateful for their time and experience, which has been of inestimable benefit to the Foundation. In addition, Paige Earlam also announced her decision to step down from the Chair and her position as Trustee. Paige's service both as Trustee and Chair has been invaluable in guiding and leading the Foundation through a period of change and development. We extend our deepest thanks to Paige for her enthusiasm, knowledge and dedication and extend our very best wishes for the future. Also, this year, three new members were welcomed to the Board of Trustees; Chris Evered, Lesley Martin-Wright and myself, continuing the essential mix of skills that enable the Foundation to fulfil its vision and be rigorous in self-improvement.

The Annual Report also allows me an opportunity to thank our Administrator, Anne Edwards for her hard work, as well as the organisations that audit our performance and manage the Foundation's investments. It has been a privilege and an honour to review these accounts, and to see how the contribution from stakeholders and Trustees alike is benefiting a variety of causes and charities producing outstanding services for the people of Merseyside.

Respectfully submitted



Ian Bakewell
26 September 2017

Report of the Trustees

The Trustees, who are also Directors of the Charity for the purposes of company law, present their Annual Report and Financial Statements together with the auditor's report for the year ended 31 March 2017.

The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the Charity's governing document, its Memorandum and Articles of Association (incorporated 6 March 2006 and amended by special resolution dated 9th December 2016), and the "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 (FR102) (effective 1 January 2015)".

Reference and Administrative Details of the Charity, its Trustees, and Advisers

The information with respect to Trustees, Officers, and Advisers set out on pages 3 and 4 forms part of this report.

Objectives and Public Benefit

The P.H. Holt Foundation is a registered charity, number 1113708, and charitable company, incorporated on 6 March 2006. The objects of the Charity are to acquire "all the assets and undertaking (including all liabilities) of the P.H. Holt Charitable Trust (as originally declared by a deed of Trust dated 15 February 1955) (the "Trust") and then to apply the investments and other assets of the Charity from time to time, whether arising from the aforesaid acquisition or otherwise, and whether income or capital, for charitable purposes in the United Kingdom of Great Britain and Northern Ireland, and elsewhere as the Charity in its absolute discretion shall think fit, to the intent that, but without prejudice to the generality of the foregoing, the principal area of activity of the Charity shall be the Merseyside area".

The P.H. Holt Foundation also acts as sole Corporate Trustee to Holt Education Trust, founded by Trust Deed on 11 June 1915, "for the promotion and encouragement of higher education to students in the City of Liverpool and the Hundred of West Derby, and the Hundred of Wirral".

The origins of both charities derive from the maritime endeavours of Philip Henry Holt, who together with his brother Alfred, founded the highly successful Ocean Steam Ship Company Limited in Liverpool in 1865. During his lifetime, Philip Holt had many philanthropic interests and the Foundation strives to continue his vision, that of helping to create a better future for the people of Merseyside by supporting causes that enable people to make a real contribution to where they live and work. In recognition of the important historical and commercial impact of the Company in the region, the Foundation loans a collection of ship models, documents, and artefacts associated with Ocean Steam Ship Company Limited, which are on permanent display at the Merseyside Maritime Museum.

The P.H. Holt Foundation gives grants which help communities and charitable organisations create a better future for the people of Merseyside, according to five priority themes:

- Creating opportunities for people to contribute to their local community
- Enabling people to overcome barriers and take control of their lives
- Widening access to education for people of all ages
- Increasing engagement in the arts for marginalised or excluded groups
- Encouraging care of the natural and built environment

Report of the Trustees

Grants are for specific purposes, awarded to projects that can demonstrate the following:

- Make Merseyside a better place to live
- Encourage self-help and resilience
- Develop realistic and sustainable plans
- Deliver strategic solutions
- Bring positive change and measurable impact

The Foundation occasionally funds projects that fall within the scope of the Holt Family Heritage. This programme is specific to charities where there is a long-standing connection with the Foundation, and which reflect Philip Holt's personal values of self-help, self-improvement, and innovation.

In taking this broad approach to its activities, the Trustees confirm that they have had regard to the Charity Commission's general guidance on public benefit.

Achievements and Performance

During the year 2016/17, the P.H. Holt Foundation and Holt Education Trust received written applications from 168 registered charities and individual students from across Merseyside, consistent with previous records. Ninety-two grants were dispensed, to the sum of £280,522 benefiting 148,600 people (73 grants for £302,698 2015/16). The reduction in grant expenditure last year (7%), was partly due to an increase in the number of individual students supported through the education programme, where grants are smaller and average £450, compared to a median award of £4,500 for the P.H. Holt Foundation. Holt Education grants made up a third of applications funded, and took 5% of grant expenditure; contrasting with two thirds of applications and 95% of total funds expended by the P.H. Holt Foundation. Further details of which are set out in Note 2 to the Financial Statements.

The Trustees supported a cross-section of causes within the Foundation's priority funding themes. The bulk of grants, went in support of creating opportunities for over 19,400 people in Merseyside to overcome barriers and make a positive contribution to their local communities, valued at £182,338 (65% of funding). Sixteen arts organisations received £78,572, benefiting up to 21,700 people; engaging children, young people, and excluded groups in visual and performing arts. Education received £14,612, benefiting more than 2,500 students. Heritage received the least funding at £5,000 for 105,000 beneficiaries.

Charities, particularly smaller grass roots organisations where the Foundation focuses its support, have, and continue to experience declining funding opportunities. The impact is being noticed by the Foundation in larger fundraising requests as community and arts programmes seek to mitigate for lost income from traditional sources. The number of ineligible applications not meeting grant making criteria, fell again, to 12% of applications received. In this respect, the Foundation attends many funders fairs to inform charities on our grant process and eligibility criteria, plus provides general information by telephone prior to submission.

Future Plans

Our principal plans for 2017-18 can be briefly summarised under four headings: to continue to provide grants for charitable activities which benefit the people of Merseyside; to continue to seek to safeguard the investment assets which provide the means to deliver those charitable objects; to manage Holt Education Trust to benefit students engaged in specific areas of study; to encourage through our grant making activities that help create a better future for the people of Merseyside.

Report of the Trustees

Financial Review

The results for the year ending 31st March 2017, are set out in the Statement of Financial Activities on page 15. Total incoming resources from investments were £270,741 for 2016-17, up from £251,670 in 2015-16. Resources expended reduced by 7% to £332,791 (2015-16: £359,075). Net expenditure before investment gains/losses fell to £62,050 (2015-16: £107,405)

Investments gains of £2,922,114 were recorded for the year, a rise of 18%, and made up for a negative 2015-16 position of -£158,644. For 2016-17, the net closing asset position increased to £19,641,358 (2015-16: £16,781,294).

During the year, the Charity withdrew units to the value of £600,000 from part of its holdings in the Trojan Global Equity Fund for future grant making purposes.

Structure, Governance and Management

The Trustees are listed on page 3 and are the sole members of the Company. The governing instruments specify that there must be at least four trustees. One third of trustees retire each year, but may be re-appointed subject to various safeguards.

The Trustees agree the strategy and broad areas of activity for the Foundation, and each year, formally review whether their collective skills and experience remain adequate for the needs of the Foundation. New appointments are chosen with a view to maintaining the Board's knowledge, ethos, and independence. Appropriate training and induction is provided, normally by means of meetings and discussions with the Chair and individual Trustees, and Administrator, accompanied by participating in committee meetings, and when required conferences and seminars. Trustees receive updates and informal training through regular briefing papers and bulletins. The Foundation is a member of the Association of Charitable Foundations (ACF) and member of the National Councils for Voluntary Organisations (NCVO). Both organisations provide information on good practice, governance, and changes in legislation.

Trustees meet four times each year to consider and review investments and reserves, risk management policies, financial performance, and grant awards; in addition to dedicating time to an Annual Strategy Day. All binding decisions about any aspect of the Charity are only made at a full meeting. To support the grant making process, a sub-committee assess all applications to the Foundation prior to a full meeting, and select from those that best meet criteria to undergo further assessment.

The Administrator is responsible for the day-to-day management of the Charity, including contact with actual and potential grant recipients, and with the Foundation's various associates and stakeholders.

Risk Management

The Trustees continually review the major strategic, business, and operational risks to which the Charity could be exposed and have an agreed risk assessment policy in place to mitigate significant risks. A formal review of performance against the risks is conducted annually reporting into the Board, with clear actions to highlight any potential new risks and the impact these may have on the Charity. The Trustees are satisfied that the system of internal controls and ongoing reviews currently in place is appropriate.

Report of the Trustees

Key Risks Include:

- Loss of invested funds. The P.H. Holt Foundation has adopted an investment policy which seeks to optimise performance through a diversified asset portfolio, monitored monthly and reviewed on a quarterly basis at each Board Meeting. The Trustees take an active role in portfolio management, meeting with Fund Managers for annual reviews of performance, and updates on market conditions.
- Misuse of Funds. Grants made as Restricted Funds where recipient charities could apply the gift to other purposes, or not incur the expenditure. All grants are subject to progress reports by recipient charities to enable Trustees to monitor that the grant has been used for the expressed purpose it was given. Our monitoring processes and routine project visits by Trustees and the Administrator, protect against significant changes taking place without approvals.

There were no serious incidents recorded during the year ended 31st March 2017.

Reserves

We inherit from the Trustees of P.H. Holt Charitable Trust an awareness of our obligation to balance the needs of current and future charitable beneficiaries. We aim to maintain the long-term value of our capital and the income which that capital produces. Within this policy, we consider that our current unrestricted reserves are fully utilised for the purposes of the Charity. We review reserve policies regularly.

As Corporate Trustee of Holt Education Trust, our policy is to maintain a reserve of accumulated income equal to, and not more than a year's typical grant expenditure.

Fund Structure, Investment Policy and Performance

Unrestricted Fund

Under the terms of its Memorandum and Articles of Association, the P.H. Holt Foundation may spend capital, as well as income for charitable purposes, in the United Kingdom and elsewhere. The accumulated funds of the Charity are therefore unrestricted funds for the purposes of charity law. Transfers are made from investments to current assets, as and when liabilities or requirements fall due.

Our investment objective is to preserve the value of capital in real terms to sustain our long-term grant-making and future activities. Our investments with Ruffer LLP, Troy Asset Management Limited and Kennox Asset Management Limited are held in composite funds. We have confidence in our Investment Managers' abilities to look after our funds wisely in ever changing financial markets, and are satisfied with their current performance, which is reviewed quarterly.

Endowed Funds

In accordance with the Trust Deed, income from Holt Education Trust can be used only for specified educational purposes and its capital is restricted as a permanent endowment in charity law. The Holt Education Trust endowment is managed in a segregated portfolio with balanced investment objectives. We are satisfied that the Manager at Tilney BestInvest has met these objectives. Moreover, the Trustees of the P.H. Holt Foundation may choose, if required, to transfer unrestricted funds to Holt Education Trust to supplement the education programme.

Report of the Trustees

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors to the Charitable Company.

Trustees' Responsibilities for the Financial Statements

The Trustees (who are also Directors of the P.H. Holt Foundation for the purposes of Company Law) are responsible for preparing the Report of the Trustees and the Financial Statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each fiscal year. Under that law, the Trustees have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including income and expenditure 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
- make judgements and accounting estimates that are reasonable and prudent
- observe the methods and principles in the Charity SORP
- state whether applicable UK 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 business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time, the financial position of the Charitable Company, and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- as far as each Trustee is aware, there is no relevant audit information of which the Charitable Company's Auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information, and to establish that the Auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Trustees and signed on their behalf on 26 September 2017.



Elsbeth Christie
Company Secretary



Independent Auditor's Report to the Trustees of P H Holt Foundation

We have audited the Financial Statements of P H Holt Foundation for the year ended 31 March 2017 which comprise the principal accounting policies, the statement of financial activities (including income and expenditure account), the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 ("The Financial Reporting Standard applicable in the UK and the Republic of Ireland").

This report is made solely to the Charitable Company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's Members 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 Charitable Company and its Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the Financial Statements, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2017, and of its incoming resources and application of resources including its income and expenditure 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 Companies Act 2006.



Independent Auditor's Report to the Trustees of P H Holt Foundation

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are Required to report under the Companies Act 2006

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Report of the Trustees.

Matters on which we are Required to report by Exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit, or
- the Trustees were not entitled to take advantage of the small company's exemption from the requirement to prepare a strategic report.

Joanne Love
 Joanne Love (Senior Statutory Auditor)
 for and on behalf of
 Grant Thornton UK LLP
 Statutory Auditor
 Chartered Accountants
 Liverpool

September 2017.

25 October 2017.

Principal Accounting Policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of Preparation

The financial statements have been prepared in accordance with Accounting & Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK & Republic of Ireland (FRS102) (effective 1 January 2015), Charities SORP (FRS102) and the Companies Act 2006. The charity is not required to prepare a cash flow statement, being a small entity under FRS102.

P H Holt Foundation meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the accounting policy notes.

Basis of Accounting

The Financial Statements are prepared in accordance with the historical cost convention as modified by the valuation of investments.

Fund Accounting

General funds are unrestricted funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors.

Restricted and Endowed Funds

In accordance with the Trust Deed, income of Holt Education Trust can be used only for specified educational purposes and its capital is restricted as a permanent endowment in charity law.

Unrestricted Funds

Under the terms of its Memorandum of Association, P H Holt Foundation may spend capital as well as income for charitable purposes in the United Kingdom and elsewhere. The accumulated funds of the Charity are therefore unrestricted funds for the purposes of charity law. Transfers are made from investment to current assets as and when liabilities fall due.

Resources Expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Principal Accounting Policies

Where possible, expenditure is directly allocated to appropriate categories. The remaining expenditure is apportioned in accordance with a formula which the Trustees consider corresponds realistically to the use of staff time and other resources.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Grants Payable

Future grant commitments are fully provided for in the year in which the commitment is made. In the case of an unconditional grant this is accrued once the recipient has been notified of the grant award.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at closing mid-market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are included in the Statement of Financial Activities.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, such as Brexit, the attitude of investors to investment risk, and changes in sentiment incurring equities.

Income from investments is included, together with the related tax credit, in the year in which it is receivable.

Interest on funds held on deposit is recognised when receivable, and the amount can be recognised reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Tangible Fixed Assets

Tangible assets are capitalised at cost with the exception of any donated assets which are valued at Trustees' estimate of value at the date of donation.

Depreciation is not charged on pictures and historic artefacts.

Operating Leases

The Charity classifies the lease of premises as an operating lease and rental charges are charged on a straight line basis over the term of the lease.

Statement of cash flows

No statement of cash flows is presented, as under FRS 102.1A.7 the charity is exempt from producing such a statement by virtue of its size.

Significant adjustments and key areas of estimation uncertainty

The trustees consider there to be no items in the financial statements where they have had to make significant judgements in the process of applying the Charity's accounting policies or key sources of estimation uncertainty

Statement of Financial Activities (including income and expenditure account)

	Note	Unrestricted Funds	Restricted Fund	Endowed Funds	Total Funds 2017	Total Funds 2016
		£	£	£	£	£
Income						
<i>Income from charitable activities</i>						
Investment income	1	254,334	16,407	-	270,741	251,670
		<u>254,334</u>	<u>16,407</u>	<u>-</u>	<u>270,741</u>	<u>251,670</u>
Expenditure						
<i>Expenditure on charitable activities:</i>						
Grants payable	2	271,722	8,800	-	280,522	302,698
Other expenditure on charitable activities	3	45,044	-	7,225	52,269	56,377
Total expenditure		<u>316,766</u>	<u>8,800</u>	<u>7,225</u>	<u>332,791</u>	<u>359,075</u>
Net income/(expenditure) before gains on investments		(62,432)	7,607	(7,225)	(62,050)	(107,405)
Gains/(losses) on investment assets	6	<u>2,850,732</u>	<u>-</u>	<u>71,382</u>	<u>2,922,114</u>	<u>(158,644)</u>
Net movement in funds for the year		2,788,300	7,607	64,157	2,860,064	(266,049)
Transfer between funds		-	-	-	-	-
Total funds brought forward at 1 April 2016	18	<u>16,229,112</u>	<u>-</u>	<u>552,182</u>	<u>16,781,294</u>	<u>17,047,343</u>
Total funds carried forward at 31 March 2017	10	<u>19,017,412</u>	<u>7,607</u>	<u>616,339</u>	<u>19,641,358</u>	<u>16,781,294</u>

The statement of financial activities includes all gains and losses recognised in that year. All income and expenditure derive from continuing activities.

Balance Sheet

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible fixed assets	5		5,000		5,000
Investments	6		<u>18,903,801</u>		<u>16,535,011</u>
			18,908,801		16,540,011
Current assets					
Debtors	7	702,388		75,982	
Cash at bank and in hand		<u>38,569</u>		<u>194,901</u>	
		740,957		270,883	
Creditors: amounts falling due within one year					
	8	<u>(8,400)</u>		<u>(29,600)</u>	
Net current assets			732,557		241,283
Total assets less current liabilities and net assets			<u>19,641,358</u>		<u>16,781,294</u>
Financed by:					
Endowment fund	10		616,339		552,182
Unrestricted funds	10		19,017,412		16,229,112
Restricted fund	10		<u>7,607</u>		<u>-</u>
Total Funds	10		<u>19,641,358</u>		<u>16,781,294</u>

The Financial Statements were approved by the Trustees on 26 September 2017.



Neil Kemsley
Trustee

Notes to the Annual Report

1 Investment Income

	2017	2016
	£	£
Dividends – Listed investment funds and equities	270,727	251,666
Bank interest	14	4
	<u>270,741</u>	<u>251,670</u>

2 Charitable Activities

	2017	2016
	£	£
Grants payable	<u>280,522</u>	<u>302,698</u>

Grants to institutions may be categorised as follows:

	2017	2016
	£	£
Opportunities and Overcoming Barriers	182,338	161,975
Engagement in the Arts	78,572	90,688
Access to Education	14,612	37,035
Heritage/Care of environment	5,000	13,000
	<u>280,522</u>	<u>302,698</u>

3 Other expenditure on charitable activities

	2017	2016
	£	£
Audit fees	8,400	10,900
Trustees expenses	174	33
Investment Managers' fees	7,225	7,002
Staffing	26,208	24,720
Office costs	10,262	13,722
	<u>52,269</u>	<u>56,377</u>

Trustees' expenses amounting to £174 were reimbursed during the year to three trustees (2016: £33 - two trustees).

Office costs include £4,580 (2016: £3,303) in respect of operating lease payments relating to land and buildings.

Notes to the Annual Report

3 Other expenditure on charitable activities (continued)

Governance costs included above represent:	2017	2016
	£	£
Audit fees	8,400	10,900
Staffing costs	6,552	6,180
Office costs	2,425	3,430
Trustees expenses	174	33
	<u>17,551</u>	<u>20,543</u>

The charity Trustees were not paid any other benefits from employment with the Trust, except for expenses as shown above. No Trustee received payment for professional services supplied to the Charity (2016: £nil). The charity provides indemnity insurance for the benefit of the trustees.

The key management personnel comprise the Trustees only.

4 Taxation

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments if these profits are applied solely for charitable purposes.

The Charity is not registered for VAT and all expenditure is recorded inclusive of any VAT incurred.

5 Tangible Fixed Assets

	£
At 1 April 2016 and 31 March 2017 at deemed cost	<u>5,000</u>
Net book value at 31 March 2017	<u>5,000</u>
Net book value at 31 March 2016	<u>5,000</u>

The pictures and artefacts were gifted to P H Holt Foundation by the Trustees of P H Holt Charitable Trust and are associated with the historic business interests of Philip Holt and his family. The pictures are minor works held for use by the Charity. The artefacts are ship models and related items which are on loan to museums for educational use. After taking professional advice, the Trustees' opinion is that the book value of £5,000, at which the collection was transferred, represents a conservative minimum market valuation as at 31 March 2017.

In 2007, the Trustees of P H Holt Charitable Trust also made a gift of office equipment and furniture to P H Holt Foundation. This equipment and furniture is of low monetary value and has not been capitalised by P H Holt Foundation.

Notes to the Annual Report

6 Fixed Asset Investments

	2017	2016
	£	£
Listed Investments		
At fair value		
Market value at 1 April 2016	16,504,547	16,637,041
Additions	295,942	173,752
Disposals	(676,684)	(147,602)
Net unrealised gains/(losses)	<u>2,754,014</u>	<u>(158,644)</u>
Market value at 31 March 2017	<u>18,877,819</u>	<u>16,504,547</u>
Cash held by investment managers	<u>25,982</u>	<u>30,464</u>
	<u>18,903,801</u>	<u>16,535,011</u>
Unrealised gains/(losses)	2,754,014	(158,644)
Realised gains	<u>168,100</u>	<u>-</u>
	<u>2,922,114</u>	<u>(158,644)</u>

Investments included in the above with a market value greater than 5% of the total portfolio market value at 31 March 2017 are as follows:

	%	£
C F Ruffer Absolute Return Fund – C Income Shares	41	7,819,515
Trojan Capital Fund S Income Shares	36	6,889,752
S & W Kennox Strategic Value Fund - Inst Net Income Shares	19	<u>3,568,447</u>

All investments are carried at their fair value. Investment in equities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investments funds, are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performances sections of the Trustees' Annual Report.

The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. The Charity is reliant on dividend yield to finance its work and this leads to a greater exposure to international companies, the values of which, together with their yield are exposed to exchange rate risk when converting the holdings into sterling.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The Charity's investments are mainly traded in markets with good liquidity and high trading volumes. The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield

Notes to the Annual Report

total return and historic studies of quoted financial instruments have shown that volatility in any particular five year period will normally be corrected.

7 Debtors: amounts falling due within one year

	2017	2016
	£	£
Accrued investment income	49,588	38,029
Accrued equalisation proceeds	51,070	31,864
Prepayments and other debtors	601,730	6,089
	<u>702,388</u>	<u>75,982</u>

8 Creditors: amounts falling due within one year

	2017	2016
	£	£
Accruals	8,400	9,600
Grants payable	-	20,000
	<u>8,400</u>	<u>29,600</u>

9 Funds

Restricted and Endowed Funds

In accordance with the Trust Deed, income of Holt Education Trust can be used only for specified educational purposes and its capital is restricted as a permanent endowment in charity law.

Unrestricted Fund

Under the terms of its Memorandum of Association, P H Holt Foundation may spend capital as well as income for charitable purposes in the United Kingdom and elsewhere. The accumulated funds of the Charity are therefore unrestricted funds for the purposes of charity law. Transfers are made from investment to current assets as and when liabilities fall due.

10 Analysis of Net Assets between Funds

	Restricted Fund	Unrestricted Funds	Endowed Fund	Total Funds 2017	Total Funds 2016
	£	£	£	£	£
Tangible fixed assets	-	5,000	-	5,000	5,000
Investment assets	-	18,277,714	626,087	18,903,801	16,535,011
Net current assets	7,607	734,698	(9,748)	732,557	241,283
	<u>7,607</u>	<u>19,017,412</u>	<u>616,339</u>	<u>19,641,358</u>	<u>16,781,294</u>

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11 Analysis of Net Assets between Funds

The comparative figures for the prior year were as follows:

	Restricted Fund £	Unrestricted Funds £	Endowed Fund £	Total Funds 2016 £
Tangible fixed assets	-	5,000	-	5,000
Investment assets	-	15,973,992	561,019	16,535,011
Net current assets	-	250,120	(8,837)	241,283
	<u>-</u>	<u>16,229,112</u>	<u>552,182</u>	<u>16,781,294</u>

12 Capital Commitments

There were no capital commitments at 31 March 2017 or 31 March 2016.

13 Contingent Liabilities

There were no contingent liabilities to disclose at 31 March 2017 or 31 March 2016.

14 Related Party Disclosures

The Trustees consider that P H Holt Foundation had no transactions during the year which need to be disclosed as related party transactions. However, the Charity is a local grant-giver which seeks to maintain close links with many parts of the Merseyside community. Potential conflicts of interest can therefore arise from time to time. Individual Trustees and their Administrator do not participate in decisions when they could be perceived to be acting other than in the sole interests of the Charity.

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15 Leasing Commitments

The charity's future minimum operating lease payments are as follows:

Land and buildings	2017	2016
	£	£
Within one year	-	3,303
Between one and five years	-	-
	<u>-</u>	<u>-</u>

16 Legal Status

The charity is a company limited by guarantee, who's registered office is 151 Dale Street, Liverpool, L2 2AH, and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

17 Financial instruments

	2017	2016
	£	£
Financial Assets		
Financial assets measured at amortised cost	<u>740,957</u>	<u>270,883</u>
Financial Liabilities		
Financial liability measured at amortised cost	<u>8,400</u>	<u>29,600</u>

Financial assets measured at amortised cost represent debtors and cash at bank. Financial liabilities measured at amortised cost represent accruals and grants repayable.

Notes to the Annual Report

18 Statement of Financial Activities

The comparative figures for the prior year were as follows:

	Unrestricted Funds	Restricted Fund	Endowed Funds	Total Funds 2016
	£	£	£	£
Income				
<i>Income from charitable activities</i>				
Investment income	236,134	15,536	-	251,670
	<u>236,134</u>	<u>15,536</u>	<u>-</u>	<u>251,670</u>
Expenditure				
<i>Expenditure on charitable activities:</i>				
Grants payable	273,698	29,000	-	302,698
Other expenditure on charitable activities	49,375	-	7,002	56,377
Total expenditure	<u>323,073</u>	<u>29,000</u>	<u>7,002</u>	<u>359,075</u>
Net income(expenditure) before gains on investments	<u>(86,939)</u>	<u>(13,464)</u>	<u>(7,002)</u>	<u>(107,405)</u>
Losses/(gains)on investment assets	<u>(143,073)</u>	<u>-</u>	<u>(15,571)</u>	<u>(158,644)</u>
Net movement in funds for the year	<u>(230,012)</u>	<u>(13,464)</u>	<u>(22,573)</u>	<u>(266,049)</u>
Transfer between funds	<u>(2,963)</u>	<u>2,963</u>	<u>-</u>	<u>-</u>
Total funds brought forward at 1 April 2015	<u>16,462,087</u>	<u>10,501</u>	<u>574,755</u>	<u>17,047,343</u>
Total funds carried forward at 31 March 2016	<u>16,229,112</u>	<u>-</u>	<u>552,182</u>	<u>16,781,294</u>

