

P. H. HOLT

FOUNDATION

Annual Report and Financial Statements

For the Year Ended 31 March 2018

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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	Ian Bakewell Elspeth Christie Martin Cooke Paige Earlam (resigned 01/08/17) Chris Evered Amy de Joia Neil Kemsley Lesley Martin-Wright Ian Matthews Kenneth Ravenscroft
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 Handelsbanken 166-169 Exchange Station Tithebarn Street Liverpool L2 2QP

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

Chairperson's Statement

The Foundation has continued to see high levels of grant applications as charities have experienced ongoing pressure on funding streams. There remains a pressing need for funding in the area of community projects where disbursements have increased and look likely to do so further in the coming years.

The Trustees have reviewed our position in the areas in which we operate to make sure that we are clear, accessible and current in what we do. We have been looking to simplify and refine the application process to make it easier for those charities that need our funding.

We have extended our education programme of support for students undertaking STEM projects and I would like to thank Ken Ravenscroft for the diligent work he does in this area for the Foundation.

In challenging times, I am indebted to my fellow Trustees who give their time, expertise and experience to ensure that the Foundation stays true to its benefactor's philanthropic wishes whilst navigating the developing regulatory environment. In addition, I would like to thank the organisations that are charged with managing our investments for producing returns that have made it possible to underpin and indeed extend our grant giving.

In closing, I would also like to thank Anne Edwards, our administrator, for her hard work in so many different areas. In a time of uncertainty, particularly with regard to the execution and outcome of the Brexit negotiations, it is a privilege as Chair to witness the difference our work continues to make to charities across the region.



Ian Bakewell
14 September 2018

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 2018.

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 9 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 (FRS 102) (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, established by Trust Deed on 11 June 1915, "for the promotion and encouragement of higher education among the inhabitants of 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 in 1865, together with his brother Alfred, founded the highly successful Ocean Steam Ship Company Limited in Liverpool. The Company flourished across five Continents and gained international recognition for more than 120 years as one of the UK's largest merchant shipping fleets. In 1988, with the demise of the remaining shipping line, the Foundation became beneficiaries of Ocean Steam Ship's collection of nautical memorabilia; comprising paintings, ship models, historical documents, and seafaring artefacts. These are loaned and are on public display at the Merseyside Maritime Museum in Royal Albert Dock, forming part of the commercial history of the port of Liverpool.

During his lifetime, Philip Holt had wide-ranging philanthropic interests and The Foundation strives to continue his social concern by supporting causes where people can make a real contribution to where they live and work. The P H Holt Foundation gives grants for specific purposes and which help communities and charitable organisations create a better future for the people of Merseyside, concentrating on five priority themes:

- Creating opportunities for people to contribute to their local community
- Enabling people to overcome barriers and take control over 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

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 civic responsibility, 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 2017/18, the P H Holt Foundation and Holt Education Trust received written applications from 161 registered charities and individual students (2016-17: 168). Grant giving rose substantially, and 84 awards were made worth £415,460 (2016-17: £280,522 consisting of 92 awards). Of these, 57 were to registered charities and 27 to students funded through Holt Education Trust which spent £21,400 on bursaries and scholarships. The lion's share of funding continues to be directed to local charities who received £394,060. Further details of which are set out in Note 2 to the Financial Statements.

Within the five priority themes, the largest portion went to grassroots community projects. The Trustees recognise the vital work being done in community and resource centres in providing advice, information, and support to address the needs of individuals marginalised by poverty, disabilities, age, or ethnicity. To this end, 50% of grant expenditure went to projects encouraging positive activities, community food and growing schemes, family support, play, counselling and mentoring schemes, which all play a part in underpinning the stability and resilience of communities. Forty such charities received £198,114 to enable individuals to overcome barriers and contribute to their local communities (2016-17: £182,338).

The Foundation continued to advance the performing arts and provided £72,466 in grants to 13 organisations to showcase emerging talent, dance, music, and the cultural heritage of the region. This was on a par with previous grant levels (2016-17: £78,572). Grants to educational projects received an uplift to £40,400 (2016-17: £14,612) adding learning programmes for prisoners, women from ethnic minorities and refugees to the existing education scheme of Holt Education bursaries and scholarships. Heritage and environmental projects received £104,500 during the year to fund specific capital requirements, the largest being a one off grant to Liverpool Cathedral towards repairing the main roof. This was an exceptional grant and fell within the scope of Holt Family heritage.

The number of ineligible applications outside of grant making criteria, dropped once more to just 14% of applications received, down from a prior year of 15%.

Future Plans

P H Holt as a general grant maker supports a broad range of organisations working across many different issues. The funding environment in Merseyside continues to pose challenges for many voluntary organisations, and in 2018-19, Trustees have agreed to commit in the region of £450,000 to alleviate some of these pressures. This is in recognition of the value smaller organisations embedded in Merseyside communities have in reaching people at the margins of society.

Our principal plans for 2018-19 can be summarised under four headings: to continue to provide grants for charitable activities which benefit the people of Merseyside; to encourage through our grant making the participation of local people in their communities; to manage Holt Education Trust to benefit students engaged in specific areas of study; to safeguard the investment assets which provide the means to deliver those charitable objects.

Report of the Trustees

Financial Review

The results for the year ended 31 March 2018, are set out in the Statement of Financial Activities on page 16. Total incoming resources from investments were £227,371 for 2017-18, down from £270,741 in 2016-17. Resources expended increased to £471,815 compared to a previous year of £332,791 (2016-17) due to a rise in grant expenditure of £134,938.

Investments for the year ended 31 March 2018 stood at £17,973,784, a reduction of £930,017 on 2016-17 (£18,903,801). During the year two withdrawals totalling £500,000 were made from part of the holdings in Trojan Global Equity Fund and Kennox Strategic Value Fund. Net expenditure before investment gains/losses was £244,444 (2016-17: £62,050).

For 2017-18, the net closing asset position reduced slightly to £18,918,111 (2016-17: £19,641,358).

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 as 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 initially assesses all applications to the Foundation prior to the full meeting, and where it is considered necessary or desirable, visits are arranged to gain a better understanding of the charity's request.

The Trustees' aim is to keep the application process as simple and streamlined as possible, and during the year reviewed and amended the material required from applicants. Guidelines on how to make a grant application (which are submitted online), together with the criteria taken into consideration when assessing an application are posted on the Foundation's website (www.phholtfoundation.org.uk). Applications are considered on an individual basis, but the Trustees do not consider any funding request made within 12 months of the outcome of a previous application.

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.

Report of the Trustees

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 identified risks is conducted annually reporting into the Board. The Trustees are satisfied that the system of internal controls and ongoing reviews currently in place is adequate.

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 at each Board Meeting. The Trustees take an active role in portfolio management with Fund Managers, receiving quarterly reports on investment performance, and more formal annual meetings to review strategies and 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. Clear conditions are set at the outset of a grant award to ensure that funding is used for the expressed purpose given and as stated in the grantees written application. Our monitoring processes and routine visits by Trustees and Administrator, minimise changes taking place without the Foundation's approval. A final progress report from each grantee enables further monitoring of achievements against the original application.
- IT Security. The Foundation has security and privacy policies in place to protect against viruses and intrusions. Risk is mitigated through the adoption of a Business Continuity Plan and Cloud based services. In all cases, necessary permissions and agreements are obtained and data processed in accordance with current regulations. Our policies have undergone revisions in line with GDPR legislation.
- Conflicts of Interest. The Trustees have a detailed policy with proper procedures in place regarding potential conflicts of interest for grant making and operational decisions

There were no serious incidents recorded during the year ended 31 March 2018.

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.

Fund Structure, Investment Policy and Performance

Unrestricted Fund

Under the terms of its Memorandum and Articles 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 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 performance.

Report of the Trustees

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 meets these objectives.

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 P H Holt Foundation for the purposes of Company Law) are responsible for preparing the Annual 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 financial 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.

Report of the Trustees

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 14 September 2018.



Elspeth Christie
Company Secretary



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

Opinion

We have audited the financial statements of P H Holt Foundation (the 'charitable company') for the year ended 31 March 2018 which comprise the principal accounting policies, the statement of financial activities (including income and expenditure account), the 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 charitable company's affairs as at 31 March 2018 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.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 charitable company 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.

Who we are reporting to

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (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 charitable company'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.



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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, set out on pages 6 to 11 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.

We have nothing to report in this regard.

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 Chairperson's Statement and Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Chairperson's Statement and Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matter 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 material misstatements in the Chairperson's Statement or 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 in relation to which 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 prepare the financial statements in accordance with the small companies regime or in the requirement for preparing the Report of The Trustees.

Responsibilities of trustees for the financial statements

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, 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.



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

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

A handwritten signature in cursive script that reads "Joanne Love".

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

2 October

2018

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 (FRS 102) (update: Bulletin 1), Charities SORP (FRS 102) and the Companies Act 2006. The charity is not required to prepare a cash flow statement, being a small entity under FRS 102.

P H Holt Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the accounting policy notes.

Going concern

Forecasts have been prepared which disclose that the Charity has significant headroom to operate with existing funds for the foreseeable future. In view of this, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of these financial statements. For this reason, it continues to adopt the going concern basis in the financial statements.

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 and endowed 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.

Principal Accounting Policies

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.

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, including dividend income, 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.

Principal Accounting Policies

Financial Instruments

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Charity would receive for the asset if it were to be sold at the balance sheet date.

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 2018	Total Funds 2017 (note 17)
		£	£	£	£	£
Income						
<i>Income from charitable activities:</i>						
Investment income	1	210,024	17,347	-	227,371	270,741
		<u>210,024</u>	<u>17,347</u>	<u>-</u>	<u>227,371</u>	<u>270,741</u>
Expenditure						
<i>Expenditure on charitable activities:</i>						
Grants payable	2	394,060	21,400	-	415,460	280,522
Other expenditure on charitable activities	3	49,216	-	7,139	56,355	52,269
Total expenditure		<u>443,276</u>	<u>21,400</u>	<u>7,139</u>	<u>471,815</u>	<u>332,791</u>
Net income/(expenditure) before gains on investments		<u>(233,252)</u>	<u>(4,053)</u>	<u>(7,139)</u>	<u>(244,444)</u>	<u>(62,050)</u>
Gains/(losses) on investment assets	6	<u>(469,855)</u>	<u>-</u>	<u>(8,948)</u>	<u>(478,803)</u>	<u>2,922,114</u>
Net movement in funds for the year		<u>(703,107)</u>	<u>(4,053)</u>	<u>(16,087)</u>	<u>(723,247)</u>	<u>2,860,064</u>
Transfer between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds brought forward at 1 April 2017	10	19,017,412	7,607	616,339	19,641,358	16,781,294
Total funds carried forward at 31 March 2018	10	<u>18,314,305</u>	<u>3,554</u>	<u>600,252</u>	<u>18,918,111</u>	<u>19,641,358</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	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible fixed assets	5		5,000		5,000
Investments	6		17,973,784		18,903,801
			<u>17,978,784</u>		<u>18,908,801</u>
Current assets					
Debtors	7	26,794		702,388	
Cash at bank and in hand		921,233		38,569	
		<u>948,027</u>		<u>740,957</u>	
Creditors: amounts falling due within one year					
	8	<u>(8,700)</u>		<u>(8,400)</u>	
Net current assets			939,327		732,557
Total assets less current liabilities and net assets			<u>18,918,111</u>		<u>19,641,358</u>
Financed by:					
Endowment fund	10		600,252		616,339
Unrestricted funds	10		18,314,305		19,017,412
Restricted fund	10		3,554		7,607
Total Funds	10		<u>18,918,111</u>		<u>19,641,358</u>

The Financial Statements were approved by the Trustees on 14 September 2018.



Neil Kemsley
Trustee

The Principal accounting policies and accompanying notes form part of the Financial Statements for the year ended 31 March 2018

Notes to the Annual Report

1 Investment Income

	2018	2017
	£	£
Dividends – Listed investment funds and equities	227,360	270,727
Bank interest	11	14
	<u>227,371</u>	<u>270,741</u>

2 Charitable Activities

	2018	2017
	£	£
Grants payable	<u>415,460</u>	<u>280,522</u>

Grants to institutions may be categorised as follows:

	2018	2017
	£	£
Community and Overcoming Barriers	208,114	182,338
Engagement in the Arts	72,446	78,572
Access to Education	40,400	14,612
Heritage/Care of environment	104,500	5,000
Returned grants awarded in prior year	(10,000)	-
	<u>415,460</u>	<u>280,522</u>

3 Other expenditure on charitable activities

	2018	2017
	£	£
Audit fees	8,700	8,400
Trustees expenses	276	174
Investment Managers' fees	7,139	7,225
Staffing	26,208	26,208
Office costs	14,032	10,262
	<u>56,355</u>	<u>52,269</u>

Trustees' expenses amounting to £276 were reimbursed during the year to two trustees (2017: £174 - three trustees).

Office costs include £Nil (2017: £4,580) 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:	2018	2017
	£	£
Audit fees	8,700	8,400
Staffing costs	6,552	6,552
Office costs	2,174	2,425
Trustees expenses	276	174
	<u>17,702</u>	<u>17,551</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 (2017: £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 2017 and 31 March 2018 at deemed cost	<u>5,000</u>
Net book value at 31 March 2018	<u>5,000</u>
Net book value at 31 March 2017	<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 2018.

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

	2018	2017
	£	£
Listed Investments		
At fair value		
Market value at 1 April 2017	18,877,819	16,504,547
Additions	120,899	295,942
Disposals	(531,016)	(676,684)
Net unrealised (losses)/gains	(504,382)	2,754,014
Market value at 31 March 2018	<u>17,963,320</u>	<u>18,877,819</u>
Cash held by investment managers	10,464	25,982
	<u>17,973,784</u>	<u>18,903,801</u>
Unrealised (losses)/gains	(504,382)	2,754,014
Realised gains	26,029	168,100
	<u>(478,803)</u>	<u>2,922,114</u>

Investments included in the above with a market value greater than 5% of the total portfolio market value at 31 March 2018 are as follows:

	%	£
L F Ruffer Absolute Return Fund - C Income Shares	42	7,595,221
Trojan Global Equity Fund S Income Shares	36	6,571,573
S & W Kennox Strategic Value Fund - Inst Net Income Shares	18	<u>3,196,991</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.

Notes to the Annual Report

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 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

	2018	2017
	£	£
Accrued investment income	26,794	49,588
Accrued equalisation proceeds	-	51,070
Prepayments and other debtors	-	601,730
	<u>26,794</u>	<u>702,388</u>

8 Creditors: amounts falling due within one year

	2018	2017
	£	£
Accruals	8,700	8,400
Grants payable	-	-
	<u>8,700</u>	<u>8,400</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.