

THE FITTON TRUST

TRUSTEES REPORT AND FINANCIAL STATEMENTS FOR THE YEAR TO 5TH APRIL 2022



**PENNINGTONS
MANCHES
COOPER**

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THE FITTON TRUST

ANNUAL REPORT FOR THE YEAR TO 5 APRIL 2022

The Trustees submit their annual report and the financial statements of The Fitton Trust (the charity) for the year ended 5 April 2022. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements of the charity's governing document and the 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 (FRS102) 2nd Edition issued October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

Reference and administrative information

The charity trustees during the year were:

1. Dr Rodney Peter Aldridge Rivers
2. Rosemary Louise Shaw
3. Katherine Joanna Lumsden
4. Emma Mary Lumsden
5. Lincoln Peter Leet Rivers
6. Rosalind Gordon Cumming
7. Jeremy Charles Peter Brand

The charity's bankers are Cater Allen Private Bank of 9 Nelson Street, Bradford BD1 5AN.

Legal, statutory and compliance issues including preparation of annual accounts is dealt with by the trustees' solicitors, Penningtons Manches Cooper LLP of 31 Chertsey Street Guildford Surrey GU1 4HD which is also the trust's registered address.

The charity's investments are held in the nominee name of their investment advisors, Brown Shipley & Co Ltd of Founders Court, Lothbury, London EC2R 7HE who have been given discretionary investment management in accordance with the Charity Commissions Order dated 15 July 1994.

Structure, governance and management

The Fitton Trust is constituted by a Court Order dated 14 February 1964 made following an application under the Variation of Trusts Act 1958 by (amongst others) the trustees of the Will of Thomas Cliffe Fitton who died on 8 April 1928.

The trustees usually meet three times each year, often in April, August and December, when the distribution of available income by way of grants is agreed (see note 4 to the accounts).

All other secretarial and administration services are provided under contract by Mrs Karen Donovan Virtual Assistant Services. **All correspondence concerning grants and applications for grants to be addressed to: The Secretary, The Fitton Trust, PO Box, 289, Bramhall, Stockport, SK7 0DZ.**

Trustees are appointed by resolution of the trustees. By a Charity Commission Order dated 28 November 2003 the maximum number of permitted trustees was increased from four to eight.

Risk management

The Trust has no operational risks. Its risks are related to investment strategy and it guards against those risks by ensuring, with advice from its investment advisers, a reasonable diversification on investments.

Objectives and activities

The objects of the charity are to benefit by way of grants such legally charitable institutions as the trustees shall in their absolute discretion think fit. The trustees meet three times a year and consider all grant applications seeking to award grants to projects and/or causes they decide worthy of available charity revenue.

Regard for public benefit

The Trustees have had due regard to the guidance published by the Charity Commission on public benefit and to that end have continued to make grants to charitable organisations within the charity's charitable objects.

Achievements and performance

The Trustees are pleased to have made or agreed grants during the year totalling £63,125 (2021: £55,450) which were in accordance with the objects of the charity and have contributed to good and just causes in the UK and across the world. Funded donations have resulted in direct benefit to all 219 grantees (2021: 207).

Financial Review

There was an increase of 1.63% (16.77% increase in 2021) in the market value of the Endowment Fund trust investments this year. The trustees received a donation of £669,964 which has been recorded as the DVB Legacy Fund, which has been invested in a separate account with Brown Shipley.

The income yield of the Endowment Fund investments decreased from 4.94% (2021) to 4.48% based on market value at 5 April 2022, the income yield based on projections for the coming year made by Brown Shipley and based on their valuation of 5 April 2022 predicts a yield of 3.19% (3.49% in 2021). In respect of the yield on the DVB Legacy Fund, Brown Shipley's yield projection is 3.31%.

The trustees' overall investment strategy is for investment in medium risk securities with a view to reasonable capital growth and steadily increasing income. The trustees therefore consider the minimum reserve held at any one time need be no more than is sufficient to cover short-term anticipated expenditure, both on grants and administration, together with a contingency to ensure liquidity, eliminate bank charges and provide flexibility to respond to special or urgent funding applications. At 5 April 2022 reserves amounted to £39,365 (2021: £47,984).

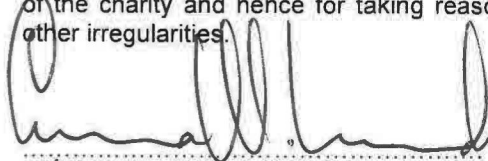
During the year to 5 April 2022 grants made or agreed totalled £63,125 (2021: £55,450). For the Revenue Account, generated from the Endowment Fund investments, gross revenue amounted to £71,614 (2021: £76,704). For the DVB Legacy Fund, gross revenue amounted to £3,581.

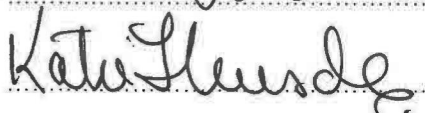
Trustees' Responsibilities in relation to the Financial Statements

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the trustees are required to

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- (d) 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 accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

 TRUSTEE

 TRUSTEE

THE FITTON TRUST

Statement of Financial Activities (including income and expenditure account)

for the year ended 5 April 2022

	Note	Revenue Account £	Endowment Fund Capital Account £	DVB Legacy Fund £	2022 Total £	2021 Total £
<u>Incoming Resources</u>						
Incoming resources from generated funds:						
Legacy from estate of deceased person		--	--	669,964	669,964	--
Investment Income	3	70,689	925	3,581	75,195	76,704
<u>Total Incoming Resources</u>		<u>70,689</u>	<u>925</u>	<u>673,545</u>	<u>745,159</u>	<u>76,704</u>
<u>Resources Expended</u>						
Charitable activities:						
Grants to Charities	4	63,125	--	--	63,125	55,450
Legal and administrative costs	5	16,283	16,222	2,699	35,204	24,928
<u>Total Resources Expended</u>		<u>79,408</u>	<u>16,222</u>	<u>2,699</u>	<u>98,329</u>	<u>80,378</u>
<u>Net expenditure for the year before other recognised gains and losses</u>		<u>(8,719)</u>	<u>(15,297)</u>	<u>670,846</u>	<u>646,830</u>	<u>(3,674)</u>
<u>Gains/(Losses) on Investment Assets</u>						
Realised during the year		--	16,111	665	16,776	(95,639)
Unrealised during the year		--	18,433	12,330	30,763	334,704
<u>Net Movement in Funds</u>		<u>(8,719)</u>	<u>19,247</u>	<u>683,841</u>	<u>694,369</u>	<u>235,391</u>
<u>Funds Brought Forward at 6th April 2021</u>		<u>48,084</u>	<u>1,558,743</u>	<u>--</u>	<u>1,606,827</u>	<u>1,371,436</u>
<u>Funds Carried Forward at 5th April 2022</u>		<u>39,365</u>	<u>1,577,990</u>	<u>683,841</u>	<u>2,301,196</u>	<u>1,606,827</u>

The notes on pages 5 to 8 form part of these accounts

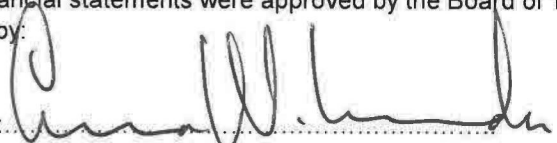
THE FITTON TRUST


Balance Sheet as at 5 April 2022

	Note	Revenue Account £	Endowment Fund Capital Account £	DVB Legacy Fund £	2022 Total £	2021 Total £
<u>Fixed Assets</u>						
Investments	6	--	1,577,710	634,124	2,211,834	1,552,406
<u>Current Assets</u>						
Debtors		743	--	--	743	2,329
Cash at bank and stockbrokers		50,778	280	49,717	100,775	72,248
		51,521	280	49,717	101,518	1,626,983
<u>Creditors</u>						
Amounts falling due within one year	7	(12,156)	--	--	(12,156)	(20,156)
<u>Net Current Assets</u>		39,365	280	49,717	89,362	54,421
<u>Total Net Assets</u>		39,365	1,577,990	683,841	2,301,196	1,606,827
<u>Funds</u>		39,365	1,577,990	683,841	2,301,196	1,606,827

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102).

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

Signed: 
NAME: EMMA M. LUMSDEN TRUSTEE

Signed: 
NAME: KATE J. LUMSDEN TRUSTEE

The notes on pages 5 to 8 form part of these accounts

THE FITTON TRUST (Registered Charity Number 208758)

Notes to the Financial Statements for the year to 5 April 2022

1. Accounting Policies

(a) **Basis of preparation of financial statements**

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) 2nd Edition issued October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) 2nd Edition issued on October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

(b) **Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

(c) **Resources expended**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation purposes.

Grants payable are recognised in the year when the offer is made, providing that any related conditions within the control of the Trustees have been fulfilled. Grants offered subject to conditions which remain within the control of the Trustees and have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Value Added Tax is not recoverable by the charity and, as such, is included in the relevant costs in the Statement of Financial Activities.

(d) **Cash flow**

The financial statements do not include a cash flow statement because the charity, as a small reporting entity within the provisions of FRS 102, is exempt from the requirement to prepare such a statement (effective 16 July 2014).

(e) **Investments**

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals during the year.

(f) **Taxation**

The trust is a registered charity and, as such, is not subject to tax on its income and gains falling within Sections 518 to 537 of the Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from income and capital gains tax to the extent that they are applied to its charitable purposes.

THE FITTON TRUST (Registered Charity Number 208758)

Notes to the Financial Statements for the year to 5 April 2022 (continued)

(g) Fund accounting

The revenue account is an unrestricted fund which is available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

The endowment fund is a restricted fund comprising of the original gift of capital received by the trustees on 14 February 1964 and subsequent gains and losses on investments. The capital may not be expended.

The DVB Legacy Fund is an unrestricted fund comprising of a donation to the Fitton Trust received from the Executors of the estate of Duncan Brand with the direction to distribute all of the funds over time to worthy causes and institutions as the Trustees see fit.

2. Restricted Fund

As there is no power to expend capital the whole of the Trust's capital represents a permanent endowment fund.

3. Investment Income

	2022 £	2021 £
<u>Revenue account:</u>		
Fixed interest	34,787	34,799
Equity	35,902	41,905
	<u>70,689</u>	<u>76,704</u>
<u>Endowment Fund:</u>		
Fixed interest	348	--
Equity	577	--
	<u>925</u>	<u>--</u>
<u>DVB Legacy Fund:</u>		
Bank interest	6	--
Fixed interest	1,506	--
Equity	2,069	--
	<u>3,581</u>	<u>--</u>

4. Grants

During the year, grants were made to 219 charities (2021: 207). The majority of the grants were between £200 and £350. Two charities received a grant of £1,000 or more (2021: one), as shown below.

	2022 £	2021 £
Friends of St. Mary's Hospital	1,000	1,000
St. Mary Abbot Church Kensington (Friends of)	1,000	--
	<u>2,000</u>	<u>1,000</u>

THE FITTON TRUST (Registered Charity Number 208758)

Notes to the Financial Statements for the year to 5 April 2022 (continued)

5. Legal and Administrative Costs

	2022 £	2021 £
<u>Revenue account:</u>		
Secretarial costs and expenses	6,287	5,600
Trustees' expenses	--	--
Legal & compliance fees	8,340	7,380
Bank fees	--	--
Accountants' remuneration: Examiner's fee	1,656	1,656
	<u>16,283</u>	<u>14,636</u>
<u>Endowment Fund:</u>		
Investment manager's fees (capital)	16,222	10,214
LEI registration/renewal fee	--	78
	<u>16,222</u>	<u>10,292</u>
<u>Revenue account:</u>		
Investment manager's fees	2,596	--
LEI registration/renewal fee	78	--
Legal & compliance fees	--	--
Bank fees	25	--
	<u>2,699</u>	<u>--</u>

6. Fixed Asset Investments

	2022 £	2021 £
<u>Endowment Fund:</u>		
Historical cost at 6th April 2021	1,499,861	1,611,583
Additions at cost	383,798	421,721
Disposals at cost	(376,927)	(533,443)
Historical cost at 5th April 2022	<u>1,506,732</u>	<u>1,499,861</u>
Cumulative unrealised gains/(losses) at 5th April 2022	70,979	52,546
<u>Market Value as per Balance Sheet</u>	<u>1,577,710</u>	<u>1,552,406</u>
<u>Structure of the portfolio by market value</u>		
Fixed Interest and preference stock	21.46%	19.47%
Equities	54.19%	58.17%
Alternatives	23.93%	22.35%
<u>DVB Legacy Fund:</u>		
Historical cost at 6th April 2021	--	--
Additions at cost	628,364	--
Disposals at cost	(6,570)	--
Historical cost at 5th April 2022	<u>621,794</u>	<u>--</u>
Cumulative unrealised gains/(losses) at 5th April 2022	12,330	--
<u>Market Value as per Balance Sheet</u>	<u>634,124</u>	<u>--</u>
<u>Structure of the portfolio by market value</u>		
Fixed Interest and preference stock	18.38%	0.00%
Equities	63.53%	0.00%
Alternatives	18.10%	0.00%

THE FITTON TRUST (Registered Charity Number 208758)

Notes to the Financial Statements for the year to 5 April 2022 (continued)

7. Creditors: amounts falling due within one year

	2022 £	2021 £
Trustees' expenses	--	--
Examiner and payroll fees	1,656	1,656
Unpresented cheques - Grants	10,500	18,500
	<u>12,156</u>	<u>20,156</u>
Stockbrokers' fees (capital)	--	--
	<u>12,156</u>	<u>20,156</u>

8. Related Party Transaction

During the year no trustees received reimbursement for expenses or was in receipt of any other trust monies.

9. Balance Sheet as at 5 April 2021

	Revenue Account £	Capital Account £	Total £
<u>Fixed Assets</u>			
Investments	--	1,552,406	1,552,406
<u>Current Assets</u>			
Debtors	2,329	--	2,329
Cash at bank and stockbrokers	65,911	6,337	72,248
	<u>68,240</u>	<u>6,337</u>	<u>74,577</u>
<u>Creditors</u>			
Amounts falling due within one year	<u>(20,156)</u>	<u>--</u>	<u>(20,156)</u>
<u>Net Current Assets</u>	<u>48,084</u>	<u>6,337</u>	<u>54,421</u>
<u>Total Net Assets</u>	<u>48,084</u>	<u>1,558,743</u>	<u>1,606,827</u>
<u>Funds</u>	<u>48,084</u>	<u>1,558,743</u>	<u>1,606,827</u>

Independent Examiner's Report to the Trustees of The Fitton Trust

I report on the accounts of the charity for the year ended 5 April 2022 which are set out on pages three to eight.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Other matters

Your attention is drawn to the fact that the charity has prepared the accounts (financial statements) in accordance with 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 (FRS102) issued on 16 July 2014 in preference to the Accounting and Reporting Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has since been withdrawn.

We understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Acthave not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

M S Leigh BA FCA CF

Azets Audit Services Limited
Chartered Accountants
Ashcombe Court
Woolsack Way
Godalming, Surrey, GU7 1LQ

Date: 26 October 2022