

The Arnold Burton 1998 Charitable Trust

**Annual Report and Financial Statements
for the year ended 5 April 2021**

Charity Commission Reference Number 1074633

**Castlegarth
Scott Lane
Wetherby
LS22 6LH**

The Arnold Burton 1998 Charitable Trust

Year ended 5 April 2021

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The Arnold Burton 1998 Charitable Trust

Trustees' Report for the year ended 5 April 2021

Legal and administrative information

Charity number:	1074633
Trustees:	Jeremy John Burton Nicholas Anthony Burton Mark Timothy Burton
Independent Examiner:	Ross Preston
Accountants:	Armstrong Watson Audit Limited Third Floor 10 South Parade Leeds LS1 5QS
Bankers:	Bank of Scotland plc 33 Old Broad Street London BX2 1LB
Investment manager:	Rathbones Ltd 1 Curzon Street London W1J 5FB
Principal address and trust managers:	Castlegarth Scott Lane Wetherby LS22 6LH
Solicitors:	Wrigleys LLP 19 Cookridge Street Leeds LS2 3AG

The trustees present their report together with the financial statements of the charity for the year ended 5 April 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011, the Charities (Accounting and Reports) Regulations 2008 and the Statement of Recommended Practice "Accounting and Reporting by Charities" (Charities SORP (FRS102)).

History and constitution

The trust was created by the Settlor, Mr A J Burton, by the execution of a Trust Deed dated 17 December 1998 and was granted charitable status by the Charity Commission on 11 March 1999.

Structure, governance and management

The trust is managed by the trustees and policy decisions are determined by consensus. The capital fund is invested in a portfolio of equity based quoted investments. Investments are managed by the investment manager on a discretionary basis with the objective of obtaining an acceptable level of income with a reasonable prospect of medium term capital growth.

Appropriate policies are determined to achieve a balanced investment strategy taking account of the investment risks to which the portfolio is exposed.

The Arnold Burton 1998 Charitable Trust

Trustees' Report (continued) for the year ended 5 April 2021

Structure, governance and management (continued)

Trustees are appointed based on recommendations from the family of the settlor and current trustees. The induction process for newly appointed trustees comprises of a series of meetings with the trustees.

Risk management

The charity trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. The trustees hold regular meetings to consider the performance of the investment portfolio and the recommendations of the investment managers.

Main objectives and activities

The objective of the trust is to apply the whole of the trust fund in furtherance of charitable purposes, charitable institutions or charitable foundations in a manner determined by and at the discretion of the trustees.

Although donations are made at the discretion of the trustees, special consideration will be given to registered institutions relating to Jewish charities, medical research, education, social welfare and heritage. Donations to individuals will not be considered. Appeals should be in writing only to trust managers. Unsuccessful appeals will not necessarily be acknowledged. The trustees meet as necessary to consider appeals received and to determine charitable donations.

Public benefit statement

The trustees of the Arnold Burton 1998 Charitable Trust confirm that they have complied with their duty under section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

Reserves policy

The trustees aim to maintain the existing investment portfolio at current levels and to make charitable donations in line with their income each year.

Financial activities and affairs

Total income for the year under review amounted to £164,499 (2020: £158,578) whilst total expenditure amounted to £190,246 (2020: £173,795). Expenditure on grants and donations was £158,650 (2020: £143,150).

Gains realised on the sale of investments amounted to £78,707 (2020: losses of £10,079) and unrealised gains attributable to the change in the market value of investments amounted to £869,522 (2020: losses of £570,881).

Net expenditure for the year was £25,747 (2020: £15,217).

The overall net increase in funds for the year is £922,482 (2020: decrease of £596,177) resulting in funds of £5,497,514 to carry forward at 5 April 2021.

During the year under review the charity purchased investments costing £719,641 and received proceeds of £616,278 from the sale of investments.

The market value of the charity's investments at 5 April 2021 amounted to £5,217,415 (2020: £4,165,823). After taking into account the net realisations during the year this represents a gain of 20.0%. The increase is primarily the result of market volatility at the end of the previous year caused by the coronavirus pandemic.

Plans for the future

The Arnold Burton 1998 Charitable Trust looks to further its charitable objectives as set out above under "Main objectives and activities" as opportunities and needs arise.

The Arnold Burton 1998 Charitable Trust

Trustees' Report (continued) for the year ended 5 April 2021

Trustees' responsibility for the financial statements

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- value assets and liabilities in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (Charities SORP (FRS102));
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records which are sufficient to:

- show and explain the charity's transactions;
- disclose with reasonable accuracy at any time the financial position of the charity;
- enable them to ensure that any financial statements comply with the requirements of the Charities (Accounting and Reports) regulations 2008.

The trustees are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Compliance and statutory requirements

The Trustees' Report has been prepared in accordance with the provisions of the Charities (Accounts and Reports) Regulations 2008 and the Statement of Recommended Practice "Accounting and Reporting by Charities" (Charities SORP (FRS102)).

Trustees' Approval

The Trustees' Report was approved by the trustees and signed on their behalf by

Jeremy Burton
Trustee

Date: 15 December 2021

The Arnold Burton 1998 Charitable Trust

**Independent Examiner's Report to the Trustees
for the year ended 5 April 2021**

Charity Commission Reference Number 1074633

I report to the trustees on my examination of the financial statements of the Arnold Burton 1998 Charitable Trust on pages 6 to 12.

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 Charities Act") and that an independent examination is needed.

It is my responsibility to:

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

Basis of independent examiner's statement

My examination was carried out in accordance with General Directions given by the Charity Commissioners. 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 the 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.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Ross Preston
Chartered Accountant

Date: 17 December 2021

Armstrong Watson Audit Limited
Third Floor
10 South Parade
Leeds LS1 5QS

The Arnold Burton 1998 Charitable Trust

**Statement of Financial Activities
for the year ended 5 April 2021**

		Unrestricted funds			
	Note	Capital	Income	Total	Total
		2021	2021	2021	2020
		£	£	£	£
Income					
Income from investments	3	-	164,429	164,429	157,824
Deposit interest		-	70	70	754
Total income		-	164,499	164,499	158,578
Expenditure					
Charitable donations	8	-	158,650	158,650	143,150
Costs of generating funds					
Administrative expenditure					
Accountancy		960	960	1,920	1,920
Independent examination		960	960	1,920	1,920
Investment management		27,756	-	27,756	26,805
Loan provision		105,000	-	105,000	-
Total expenditure		134,676	160,570	295,246	173,795
Net (expenditure)/income		(134,676)	3,929	(130,747)	(15,217)
Other recognised gains and losses					
Gains on charitable investment assets					
Realised gains/(losses) on disposals		78,707	-	78,707	(10,079)
Unrealised gains/(losses) on revaluation		869,522	-	869,522	(570,881)
Total other recognised gains/(losses)		948,229	-	948,229	(580,960)
Net movement in funds		813,553	3,929	817,482	(596,177)
Reconciliation of funds					
Funds brought forward		4,388,402	186,630	4,575,032	5,171,209
Funds carried forward		5,201,955	190,559	5,392,514	4,575,032

The statement of financial activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been presented.

See note 7 on page 10 for the note of historical cost income and expenditure.

The notes on pages 8 to 12 form part of these financial statements.

The Arnold Burton 1998 Charitable Trust

Balance Sheet as at 5 April 2021

		Unrestricted funds			
		Capital fund	Income fund	Total	Total
	Note	2021	2021	2021	2020
		£	£	£	£
Charitable fixed assets					
Investments	4	5,217,415	-	5,217,415	4,165,823
Current assets					
Cash in bank		(55,928)	187,285	131,357	128,276
Cash held by investment adviser		49,528	5,194	54,722	185,669
Debtors	5	-	-	-	105,000
		(6,400)	192,479	186,079	418,945
Creditors: Amounts falling due within one year	6	(9,060)	(1,920)	(10,980)	(9,736)
Net current assets		(15,460)	190,559	175,099	409,209
Total assets less current liabilities		5,201,955	190,559	5,392,514	4,575,032
Funds	10	5,201,955	190,559	5,392,514	4,575,032

The notes on pages 8 to 12 form part of these financial statements.

The financial statements were approved by the trustees and signed on their behalf by:

Jeremy Burton
Trustee

Date: 15 December 2021

The Arnold Burton 1998 Charitable Trust

Notes to the financial statements for the year ended 5 April 2021

1. Accounting policies

Charity information

The Arnold Burton 1998 Charitable Trust is a charity which is registered with the Charity Commission for England and Wales under the registered number 1074633. The principal address is Castlegarth, Scott Lane, Wetherby, LS22 6LH.

1.1 Basis of accounting

The financial statements are prepared in accordance with FRS102 and The Charities SORP (FRS102), and are in compliance with the Charities (Accounts and Reports) Regulations 2008 issued under the Charities Act 2011. The financial statements are prepared under the historical cost convention, modified to include investments at fair value. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

There are no material uncertainties about the charity's ability to continue as a going concern for period of at least 12 months from the date of approval of the accounts. The trustees assess going concern through regular reviews of the performance of the charity's managed listed investment portfolio. The market value of the charity's investment portfolio at 5 April 2021 is £5.217m, having recovered from the investment market volatility caused by the Covid-19 pandemic which saw the market value of the investments decrease to £4.166m at 5 April 2020. The recovery is the result of both a general market recovery and strategic investment decisions by the investment managers. Investment income has remained at a level which enables the trustees to continue to make discretionary donations and meet the charity's liabilities as they fall due.

1.3 Income

Donations are accounted for when the charity becomes unconditionally entitled to the income. Investment income is stated net of unrecoverable foreign tax and is accounted for as and when received by the charity. All other income is accounted for in the financial statements on an accruals basis.

1.4 Direct charitable expenditure

Direct charitable expenditure is included in the financial statements as and when paid by the charity.

1.5 Other expenditure

Other expenditure is included in the financial statements on an accruals basis.

1.6 Taxation

The charity is exempt from income and capital gains tax to the extent that income and gains are applied for charitable purposes. The charity is able to recover UK income tax deducted at source from investment income. The charity is unable to recover value added tax on its expenditure and accordingly expenses are shown gross of value added tax.

1.7 Investments

Investments are stated in the balance sheet at their open market value. Both realised and unrealised gains and losses on investments are included in other recognised gains and losses on the Statement of Financial Activities. Realised gains and losses on investments are calculated as the difference between disposal proceeds and carrying value at the date of disposal. Carrying value is the sum of market value brought forward at the beginning of the accounting period and the cost of subsequent acquisitions.

2. Trustees' remuneration

None of the trustees receive any remuneration for their work as a trustee.

The Arnold Burton 1998 Charitable Trust

**Notes to the financial statements (continued)
for the year ended 5 April 2021**

3. Income from investments

Investment income arose from the following sources:

	2021	2020
	£	£
United Kingdom		
Equities	76,211	63,207
Collectives	26,000	26,156
Fixed interest securities	4,225	4,079
Property income dividends	14,356	17,770
Overseas		
Equities	27,241	35,657
Fixed interest securities	16,396	10,955
	<u>164,429</u>	<u>157,824</u>

4. Investments

	2021	2020
	£	£
Market value brought forward	4,165,823	4,740,342
Additions at cost	719,641	696,908
Disposal at carrying value	(537,571)	(700,546)
Revaluation to carrying value	869,522	(570,881)
	<u>5,217,415</u>	<u>4,165,823</u>
Market value carried forward		
	<u>5,217,415</u>	<u>4,165,823</u>
Historical cost	<u>3,785,052</u>	<u>3,678,320</u>

All investments are listed on a recognised stock exchange and are held within the following categories:

	2021	2020
	£	£
United Kingdom based organisations:		
Companies	1,547,186	933,853
Collectives	1,223,313	1,220,808
Fixed interest securities	291,520	291,207
	<u>3,062,019</u>	<u>2,445,868</u>
Overseas based organisations:		
Companies	1,638,702	1,298,979
Collectives	516,694	420,976
	<u>2,155,396</u>	<u>1,719,955</u>
	<u>5,217,415</u>	<u>4,165,823</u>

Investments are held in nominee accounts on behalf of the trustees but in all other respects are considered to be directly held investments.

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**Notes to the financial statements (continued)
for the year ended 5 April 2021**

5. Debtors

	2021	2020
	£	£
Loan – Donisthorpe Hall	-	105,000

During the financial year ended 5 April 2018 the charity made a loan of £105,000 to Donisthorpe Hall, a private company limited by guarantee, which operated a care home in Leeds. In September 2021 it was announced that Donisthorpe Hall was to close and administrators were subsequently appointed. A provision against the full value of the loan has been made in these financial statements.

6. Creditors

	2021	2020
	£	£
Accountancy and examination fees	3,840	3,840
Investment management fees	7,140	5,896
	<u>10,980</u>	<u>9,736</u>

7. Note of historical cost income and expenditure

	2021	2020
	£	£
Net expenditure for the year	(25,747)	(15,217)
Realised gains on investments calculated using cost	<u>3,368</u>	<u>67,170</u>
Historical cost income and expenditure	(22,379)	51,953
Difference between the historical cost gain arising from the realisation of investments and the actual gain/loss calculated using carrying values	75,339	(77,249)
Unrealised gain/(loss) on revaluation of investments	869,522	(570,881)
Movement in funds on Statement of Financial Activities	<u>922,482</u>	<u>(596,177)</u>

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**Notes to the financial statements (continued)
for the year ended 5 April 2021**

8. Charitable donations

During the year ended 5 April 2021 aggregate grants made to charitable institutions amounted to £158,650 (2020: £143,150) which were allocated to the following sectors:

	2021 No. Grants	2020 No. Grants	2021 £	2020 £
Arts and amenities	9	6	59,000	55,000
Education	1	2	150	650
Health	3	4	15,000	25,000
Heritage	2	3	15,000	13,500
Social and welfare	4	3	52,500	45,000
International	3	2	17,000	4,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total for the year	22	20	158,650	143,150
	<hr/>	<hr/>	<hr/>	<hr/>

Individual recipients of the donations analysed by sector are shown below.

	£	£
Art And Amenities		
Garsington Opera	5,000	
Gladrags Community Costume Resource	12,000	
Hay Festival Foundation	2,000	
Leeds Theatre Trust	10,000	
Northern Ballet (2 grants)	10,000	
Opera North (2 grants)	15,000	
Yorkshire Sculpture Park	5,000	
	<hr/>	59,000
Education		
Merchant Taylors	150	
	<hr/>	150
Health		
Children's Heart Surgery	5,000	
Antibiotic Research UK	5,000	
Laser Trust Fund Moghissi	5,000	
	<hr/>	15,000
Heritage		
Yorkshire Air Museum	5,000	
Thackray Medical Museum	10,000	
	<hr/>	15,000

The Arnold Burton 1998 Charitable Trust

**Notes to the financial statements (continued)
for the year ended 5 April 2021**

8. Charitable donations (continued)

	£	£
Social/Welfare		
Citizens Advice West Oxfordshire	12,500	
Leeds Community Foundation (2 grants)	35,000	
Leeds Mind	5,000	
	<u>52,500</u>	52,500
Third World And Overseas		
Choose Love	10,000	
Hands Up Foundation	5,000	
Refugee Info Bus	2,000	
	<u>17,000</u>	17,000
		<u><u>158,650</u></u>

9. Related Parties

There were no transactions with related parties during the year.

10. Funds

The capital fund comprises investment assets held for the generation of income. The income fund comprises assets to fund charitable donations.

The trustees are free to use both the income and capital funds accordance with the objects of the charity.