

Report of the Trustees and
Audited Financial Statements
for the Year Ended 5 April 2021
for
The John Armitage Charitable Trust

Sampson West
Statutory Auditor
Chartered Accountants
Forum House
First Floor
15-18 Lime Street
London
EC3M 7AN

The John Armitage Charitable Trust

Contents of the Financial Statements
for the Year Ended 5 April 2021

	Page
Report of the Trustees	1 to 6
Report of the Independent Auditors	7 to 9
Statement of Financial Activities	10
Statement of Financial Position	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 to 25

The John Armitage Charitable Trust

Report of the Trustees
for the Year Ended 5 April 2021

The trustees present their report with the financial statements of the charity for the year ended 5 April 2021. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and activities for the public benefit

The Charity's objects are such exclusively charitable objects and purposes for the public benefit throughout England and Wales as the trustees may in their discretion think fit.

The Charity furthers its charitable purposes for the benefit of the public by making grants to organisations or groups which undertake activities which are charitable within the meaning of the laws of England and Wales and which fall within the Charity's objects. This may include support to registered charities, exempt or excepted charities and other non-profit making bodies.

The trustees have due regard to the Charity Commission's guidance as to operation of the public benefit requirement when exercising powers or duties to which the guidance is relevant and in their opinion the charity's activities are wholly for the benefit of the public.

The trustees have power to expend capital and income from the Expendable Endowment Fund but while furthering the objects of the Charity the trustees have regard to ensuring that the Expendable Endowment Fund is maintained.

The guiding principle of the Charity is to help people to help themselves. The focus areas are:

1. disadvantaged children and youth support, including parenting support;
2. education;
3. medical care;
4. arts and culture;
5. prisoners and young offenders and
6. religious organisations.

The John Armitage Charitable Trust

Report of the Trustees
for the Year Ended 5 April 2021

OBJECTIVES AND ACTIVITIES

Grantmaking

The Charity has established its grant making policy so as to achieve its objects and donee organisations are selected in accordance with this policy by the trustees.

The trustees do not consider unsolicited requests for funding and have appointed an advisor to review the current grants awarded and to identify and assess additional charities to award grants to. The trustees have implemented a more strategic approach to their grant making policy, focusing on disadvantaged children and youth support, education, medical care and research, arts and culture, prisoners and young offenders and religion.

The Charity's distribution policy in relation to new recipients is to make 3-yearly grants to charitable organisations selected periodically by the trustees. It is anticipated that the majority of grants will be between £30,000 and £40,000 per annum. In certain circumstances grants may be made for a different timescale (including one-off grants) or for a lower or greater amount, as agreed by the trustees. Grants promised to be made for each of 3 successive years are only payable in years 2 & 3 subject to the satisfactory completion of the first and second year's conditions respectively.

The Charity may also provide long-term or repeat funding to existing grant recipients at the discretion of the trustees subject to on-going monitoring and review. The Charity does not generally provide funding for long term capital projects, although exceptionally the trustees may make one off capital grants.

The Trustees carry out appropriate due diligence checks to ensure that funds are used only for charitable activities which further the purposes of the Charity and that proposed grants do not expose the Charity to undue risks. The trustees retain an advisor on an annual basis to assist with the on-going monitoring and vetting of potential grant recipients.

The trustees adopt a risk rated approach to due diligence. Risk factors will include:

1. the size and duration of the proposed grant;
2. the legal status of the proposed recipient;
3. the geographical location in which the grant will be applied;
4. how easily the trustees can verify how the Charity's funds are being spent;
5. the nature of the activity to be funded by the proposed grant and
6. the public profile of the proposed project and/or recipient and the likely media and/or local or public interest.

Where grant recipients are supported for a significant period of time, grants are monitored annually to determine whether any additional due diligence should be undertaken on a change of circumstances that might impact the recipient.

Following a review and recommendation process led by the advisor, the trustees consider whether grants should be made subject to a grant offer letter and the standard terms and conditions or if special conditions should be imposed.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year the Charity made grants to charitable causes totalling £3,958,360 (2020 - £2,974,724) as set out in note 7 to these financial statements. The trustees are satisfied that the nature and scope of grants made fully reflect the purposes of the Charity and that the objectives for which it was created continue to be achieved.

The trustees, with the assistance of the advisor, have taken steps to monitor the use of the grants made and verified that they have been applied for the purposes that were agreed. The trustees and advisor have visited grant-funded activities and interviewed individuals involved in running those activities.

The John Armitage Charitable Trust

Report of the Trustees **for the Year Ended 5 April 2021**

ACHIEVEMENT AND PERFORMANCE

Investment performance

The year under review was a good one for investments both globally and in the UK. The market values of investments (including cash balances) recorded in the financial statements increased by £40,958,558 (2020 - £9,069,264) during the year, after the addition of a further donation of £12,093,715 (2020 - £13,876,175) by the settlor and investment disposals are taken into account.

The realised and unrealised net investment gains for the year are £33,040,403 (2020 - £1,507,844 loss). There is accordingly a positive return of approximately 30.3% (2020 - negative return of 1.6%) of the opening market value of the Charity's portfolio and a positive return of approximately 27.3% (2020 - negative return of 1.4%) of the opening market value of the Charity's portfolio plus the further donation of £12,093,715 (2020 - £13,876,175). The Trustees consider this investment performance to have been remarkable, as the UK economy bounced-back from the downturn caused by the COVID-19 pandemic

FINANCIAL REVIEW

Principal funding sources

The Charity's work is entirely reliant on income and investment returns from its Expendable Endowment Fund which is invested on a total return basis. The value of the Expendable Endowment Fund at 5 April 2021 was £150,098,241, an increase of £40,578,660 over its £109,519,581 value as at 5 April 2020. This represents a 37% (2020 - 9%) increase after all expenses and transfer to the unrestricted fund.

The trustees transferred £4,394,827 (2020 - £2,939,276) from the unapplied return of the Expendable Endowment Fund to support its grant making charitable activities.

Investment policy and objectives

The trustees have a wide power of investment conferred on them by clause 10.2 of the trust deed. The trustees also have the general power of investment conferred upon them by the Trustee Act 2000, which permits them to invest trust assets as if they were absolutely entitled to the assets. In exercise of these powers the trustees operate a total return approach to the investment of the Expendable Endowment Fund. There is no specific income requirement in relation to the Portfolio.

1. When determining the amount of unapplied total return on the Expendable Endowment Fund to transfer to the Unrestricted Fund the trustees have considered the amount of income required to maintain the current level of charitable activity and the likely needs of future beneficiaries; and
2. When reaching their decision as to the unapplied total return to transfer to the Unrestricted Fund, the trustees have had regard to the market outlook, investment trends and the prospect for future capital growth and loss.

The Charity's Portfolio is invested on a long-term basis with no particular regard to social, environmental or ethical considerations. It is anticipated that the Charity will continue after the settlor's lifetime. The trustees' principal objective is to invest for growth in real terms measured in sterling, whilst ensuring sufficient liquidity to maintain distributions of around 3-4% per annum and to fund the administrative costs of running the Charity. The distribution rate is set by reference to the trustees' wish to be able to maintain levels of donations should the Expendable Endowment Fund fall by up to 30% in value. The overall target return is to achieve net growth per annum in sterling in excess of the rate of UK inflation as measured by the Consumer Price Index (CPI).

Reserves policy

It is the policy of the trustees to recognise an unrestricted fund and an unrestricted Expendable Endowment Fund. If resources expended exceed income of the unrestricted fund a transfer is made from the Expendable Endowment fund which is expendable at the discretion of the trustees. The trustees do not, therefore, believe that the Charity needs to hold more significant reserves.

The John Armitage Charitable Trust

Report of the Trustees
for the Year Ended 5 April 2021

FUTURE PLANS

The trust will continue to make donations to charitable causes at the discretion of the trustees in accordance with the Charity's grant making policy. There are no specific plans to support any one charity or organisation. Reports from the appointed advisers as to the results of grants made to beneficiaries inform and influence the trustees with respect to future plans and decisions about allocating resources to their best effect.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The trust is a registered charity, number 1079688, and is constituted under a Trust Deed dated 24 August 1999. The trust was established by an initial gift from John Armitage. Since his initial gift John Armitage has made further substantial gifts to the charity. The Charity does not fundraise but seeks to continue the charitable work desired by the trustees through the careful stewardship of its existing resources.

Organisational structure

The trustees who have served during the year and since the year end are set out below. Trustees are elected in accordance with the trust deed. There are no personnel employed by the Charity.

Decision making

Decisions are made by the trustees who meet generally three times a year (and must meet at least annually). Investment decisions are made by a sub-committee of the trustees. Grant making decisions are made by the trustees in accordance with the Charity's grant making policy and grants are made to beneficiaries either brought to their attention by the appointed advisor or subsequently researched and then approved by the appointed advisor.

Induction and training of new trustees

Any new trustee will receive a comprehensive induction to the Charity and will receive materials to allow them to understand the charitable purposes, the financial position and current issues of the Charity.

The trustees are kept up to date with all matters relating to charities generally by their professional advisers.

Related parties

The only related parties are the trustees. Details of the related party transactions are given in the notes to the accounts.

Risk management

The major risks to which the trust is exposed, as identified by the trustees, have been reviewed and procedures have been established to manage those risks.

BREXIT AND COVID-19

The trustees have considered the effect of both Brexit and COVID-19 on the Charity and are of the opinion that neither will have a detrimental impact on the ability of the Charity to continue as a going concern.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1079688

Principal address

Forum House
First Floor
15-18 Lime Street
London
EC3M 7AN

The John Armitage Charitable Trust

Report of the Trustees
for the Year Ended 5 April 2021

Trustees

J C Armitage
W Francklin
Mrs C M Armitage
Mrs C Francklin
R A MacInnes (appointed 16.4.20)

Auditors

Sampson West
Statutory Auditor
Chartered Accountants
Forum House
First Floor
15-18 Lime Street
London
EC3M 7AN

Bankers

Coutts & Co
440 Strand
London
WC2R 0QS

Solicitors

Macfarlanes
10 Norwich Street
London
EC4A 1BD

Appointed Advisors

New Philanthropy Capital
185 Park Street
London
SE1 9BL

The name of the Charity is The John Armitage Charitable Trust and no other name is used.

Registered as a charity with The Charity Commission for England and Wales with Charity Number 1079688.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The John Armitage Charitable Trust

Report of the Trustees
for the Year Ended 5 April 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

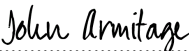
The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

03 February 2022 | 12:55 PM GMT

Approved by order of the board of trustees on and signed on its behalf by:


.....
J C Armitage - Trustee

Report of the Independent Auditors to the Trustees of
The John Armitage Charitable Trust

Opinion

We have audited the financial statements of The John Armitage Charitable Trust (the 'charity') for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2021 and of its incoming resources and application of resources, 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 Charities Act 2011.

Basis for opinion

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Trustees of
The John Armitage Charitable Trust

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Principles), the Charities SORP (FRS102) effective 1 January 2015 and the Charities Act 2011. We assessed the risk of non-compliance with such laws and regulations by discussion within the audit team and based on the results of our risk assessment, we designed our audit procedures for each section of the audit to identify any such non-compliance.

We assessed the risks of material misstatement in respect of irregularities, including fraud, by correspondence with the Trustees, consideration of the procedures in place to detect irregularities, including fraud, and review of the Trustee meeting minutes. We discussed these risks within the audit team, concluding that there is no motivation and little opportunity for internal fraud, but identified and targeted any higher risk areas with specific audit testing. We consider the greatest risk of material misstatement due to irregularities, including fraud, to be the payments to beneficiaries. Our audit procedures to respond to these risks include beneficiary circularisation, beneficiary validation and review of Trustee meeting minutes.

The audit engagement partner considers the audit team collectively had the appropriate competence and capabilities to recognise non-compliance with laws and regulations and identify fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

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 Report of the Independent Auditors.

Report of the Independent Auditors to the Trustees of
The John Armitage Charitable Trust

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sampson West

Sampson West
Statutory Auditor
Chartered Accountants
Forum House
First Floor
15-18 Lime Street
London
EC3M 7AN

03 February 2022 | 1:37 PM GMT

Date:

Sampson West is eligible to act as an auditor in accordance with section 1212 of the Companies Act 2006

The John Armitage Charitable Trust**Statement of Financial Activities**
for the Year Ended 5 April 2021

	Notes	Unrestricted fund £	Endowment fund £	5.4.21 Total funds £	5.4.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	-	12,093,715	12,093,715	13,876,175
Investment income	4	-	55	55	52,080
Total		-	12,093,770	12,093,770	13,928,255
EXPENDITURE ON					
Investment management	5	-	160,686	160,686	139,212
Charitable activities	6				
Grants to institutions		4,047,826	-	4,047,826	3,009,104
Other		347,001	-	347,001	(69,282)
Total		4,394,827	160,686	4,555,513	3,079,034
Net gains/(losses) on investments		-	33,040,403	33,040,403	(1,507,844)
NET INCOME/(EXPENDITURE)		(4,394,827)	44,973,487	40,578,660	9,341,377
Transfers between funds	17	4,394,827	(4,394,827)	-	-
Net movement in funds		-	40,578,660	40,578,660	9,341,377
RECONCILIATION OF FUNDS					
Total funds brought forward		-	109,519,581	109,519,581	100,178,204
TOTAL FUNDS CARRIED FORWARD		-	150,098,241	150,098,241	109,519,581

The notes form part of these financial statements

The John Armitage Charitable Trust**Statement of Financial Position**
5 April 2021

	Notes	5.4.21 £	5.4.20 £
FIXED ASSETS			
Investments	13	150,060,899	109,101,924
CURRENT ASSETS			
Prepayments and accrued income		52	-
Cash at bank		132,207	466,962
		<hr/>	<hr/>
		132,259	466,962
CREDITORS			
Amounts falling due within one year	14	(27,439)	-
		<hr/>	<hr/>
NET CURRENT ASSETS		104,820	466,962
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		150,165,719	109,568,886
ACCRUALS AND DEFERRED INCOME	15	(67,478)	(49,305)
		<hr/>	<hr/>
NET ASSETS		150,098,241	109,519,581
		<hr/>	<hr/>
FUNDS	17		
Endowment funds		150,098,241	109,519,581
		<hr/>	<hr/>
TOTAL FUNDS		150,098,241	109,519,581
		<hr/>	<hr/>

03 February 2022 | 12:55 PM C

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

John Armitage
.....
J C Armitage - Trustee

The notes form part of these financial statements

The John Armitage Charitable Trust**Statement of Cash Flows**
for the Year Ended 5 April 2021

	Notes	5.4.21 £	5.4.20 £
Cash flows from operating activities			
Cash generated from operations	22	(4,349,267)	(2,952,783)
Net cash used in operating activities		(4,349,267)	(2,952,783)
Cash flows from investing activities			
Purchase of fixed asset investments		(47,998,273)	(13,680,584)
Sale of fixed asset investments		52,173,416	14,202,166
Interest received		55	52,189
Net cash provided by investing activities		4,175,198	573,771
Cash flows from financing activities			
Expenditure attributable to endowment		(160,686)	(139,758)
Net cash used in financing activities		(160,686)	(139,758)
Change in cash and cash equivalents in the reporting period		(334,755)	(2,518,770)
Cash and cash equivalents at the beginning of the reporting period		466,962	2,985,732
Cash and cash equivalents at the end of the reporting period		132,207	466,962

The notes form part of these financial statements

The John Armitage Charitable Trust**Notes to the Financial Statements**
for the Year Ended 5 April 2021**1. ANALYSIS OF AND MOVEMENT IN THE EXPENDABLE ENDOWMENT FUND**

	Expendable Endowment	Unapplied Total Return	Total
Expendable Endowment Fund:			
Gift component of Fund	86,121,256	-	86,121,256
Unapplied total return	-	23,398,325	23,398,325
As at 6 April 2020	86,121,256	23,398,325	109,519,581
Year ended 5 April 2021			
Movement in unapplied total return and endowment:			
Donation received	12,093,715	-	12,093,715
Investment Return: dividends and interest	-	55	55
Investment Return: realised and unrealised gains	-	33,040,403	33,040,403
Investment Management costs	-	(160,686)	(160,686)
Total	12,093,715	32,879,772	44,973,487
Unapplied total return allocated to income	-	(4,394,827)	(4,394,827)
Net Movement in the year	12,093,715	28,484,945	40,578,660
Expendable Endowment at 5 April 2021	98,214,971	51,883,269	150,098,241

2. ACCOUNTING POLICIES**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The 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 (FRS 102) effective 1 January 2015 and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The most significant aspect of the Charity that potentially affects its ability to continue is the carrying value of its investments which relates to investment returns and the performance of investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information).

Changes in accounting policies

This note explains the impact of changing the date transactions are recognised in the accounts to the date legal ownership is transferred. This change in recognition, results in the accounts providing reliable and more appropriate information about the transactions.

As a result of the change, prior year Fixed Asset Investments additions and disposals figures have been equally restated by £30,172,886. Therefore there have been no changes to any of the comparative figures.

The John Armitage Charitable Trust

Notes to the Financial Statements - continued
for the Year Ended 5 April 2021

2. ACCOUNTING POLICIES - continued

Changes in accounting policies

The effect of the change on the current year figures is as follows:

Fixed Asset Investment additions - reduced by £15,122,861

Fixed Asset Investment disposals - reduced by £14,705,815

Fixed Asset Investment revaluations - increased by £417,046

There has been no change to the funds carried forward

Income

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

Cash donations received are recorded gross of taxation recoverable under the gift aid scheme.

Income arising from fixed asset investments held in the expendable endowment fund is credited as investment income to that fund.

Gifts of shares to the trust are treated as voluntary income of the endowment fund. Such shares are included at market value on the date of the gift.

Expenditure

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

The cost of managing investments is charged against the expendable endowment fund. Any costs associated with the sale or purchase of investments are accounted for as part of the sale or purchase price of the investments.

Management and administration expenses comprise costs incurred for the running of the charity itself as an entity. Irrecoverable VAT is charged to the Statement of Financial Activities as incurred.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

Costs which are readily identified as specific to a particular activity are allocated accordingly.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

The Expendable Endowment Fund is invested on a total return basis as permitted by the Trust Deed.

The power of total return permits the trustees to invest the Expendable Endowment Fund to maximise total return and to apply an appropriate portion of the unapplied total return to income each year by transfer to the unrestricted fund. Until the power is exercised to transfer a portion of unapplied total return to income, it remains invested in the Expendable Endowment Fund.

The John Armitage Charitable Trust

Notes to the Financial Statements - continued
for the Year Ended 5 April 2021

2. ACCOUNTING POLICIES - continued

Fund accounting

The power allows the trustees to decide each year how much of the unapplied total return is to be transferred to the unrestricted fund and so available to meet expenditure. Having considered their obligations under the duty of even-handedness, the trustees made a transfer of £4,394,827 (2020 - £2,939,276) (see note 16) unapplied total return to the unrestricted fund. In making this decision the trustees have taken account of the return on investment for the year, the sustainability of the Expendable Endowment Fund and the income needs of the Charity.

The unrestricted fund can be used in accordance with the charitable objectives at the discretion of the trustees.

Realised and unrealised capital gains or losses arising on investments are recognised as additions or deductions from the respective fund in which the investment is held.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result except in the case of currency gains or losses which arise from the market valuation of fixed asset investments where the effective currency translation gain or loss is included within total gains or losses on investment assets.

Fixed asset investments

The Trust invests in certain private equity funds, including hedged funds, which are not traded. Such funds are included at the market value of underlying investments at the balance sheet date which is calculated and provided by the fund service provider or the relevant fund manager.

Investments which are listed on a recognised stock exchange are included at the quoted closing mid-market value at the balance sheet date.

Cash and cash equivalents that are held from time to time as part of the fixed asset investment portfolio are included as part of fixed asset investments at the balance sheet date.

Realised and unrealised gains or losses on investments are taken to the Expendable Endowment Fund in the Statement of Financial Activities. Foreign currency gains or losses which arise through the revaluation process are included within the realised and unrealised gains or losses on investments.

3. DONATIONS AND LEGACIES

	5.4.21	5.4.20
	£	£
Donations	12,093,715	13,876,175
	<u>12,093,715</u>	<u>13,876,175</u>

Donations received during the year amounted to £12,093,715 (2020 - £13,876,175) and consisted of fixed asset investments gifted to the trust at the market value at the date of the gift.

The John Armitage Charitable Trust**Notes to the Financial Statements - continued**
for the Year Ended 5 April 2021**4. INVESTMENT INCOME**

	5.4.21	5.4.20
	£	£
Dividends from Fixed Asset Investments	-	-
Call Account Interest	55	52,081
	<u>55</u>	<u>52,081</u>

5. INVESTMENT MANAGEMENT**Investment management costs**

	5.4.21	5.4.20
	£	£
Investment management	160,686	139,212
	<u>160,686</u>	<u>139,212</u>

6. CHARITABLE ACTIVITIES COSTS

	5.4.21	5.4.20
	£	£
Cost of grant making	89,466	34,380
Grants to institutions (see note 7)	3,958,360	2,974,724
	<u>4,047,826</u>	<u>3,009,104</u>

7. GRANTS PAYABLE

	5.4.21	5.4.20
	£	£
Grants to institutions	<u>3,958,360</u>	<u>2,974,724</u>

The Trustees have taken advantage of the exemption given by section 132(4) Charities Act 2011 not to disclose the names of grant recipients and the amounts of such grants. In the opinion of the trustees, no individual grant made during the year was material in the context of grantmaking. However, in accordance with the Charities SORP (FRS102), paragraphs 16.17-16.18, the following provides an understanding of the range of institutions the charity has supported.

The five largest donations made to institutions were as follows:

Harris Federation	£330,000
Hartlepool Hospice	£130,000
Magic Breakfast	£125,000
Teacher Development Trust	£123,200
The Forward Trust	£100,000
Mind	£100,000

Grants were paid in line with trust policy at the discretion of the trustees. The total of grants payable to institutions during the year were for the following charitable causes:

	5.4.21	5.4.20
	£	£

The John Armitage Charitable Trust**Notes to the Financial Statements - continued**
for the Year Ended 5 April 2021**7. GRANTS PAYABLE - continued**

Relief for the poor, handicapped and aged	105,000	70,000
5 Beneficiaries		
Maximum Grant	50,000	
Parenting support	368,000	271,000
9 Beneficiaries		
Maximum Grant	55,000	
Education	864,820	675,000
13 Beneficiaries		
Maximum Grant	330,000	
Support for former offenders	311,000	242,000
9 Beneficiaries		
Maximum Grant	100,000	
Medical research / medical care	327,500	146,000
12 Beneficiaries		
Maximum Grant	130,000	
Youth support	854,000	557,500
18 Beneficiaries		
Maximum Grant	125,000	
Religion	114,000	234,000
4 Beneficiaries		
Maximum Grant	59,000	
Museum + Arts	470,540	334,224
19 Beneficiaries		
Maximum Grant	80,000	
Other	543,500	445,000
19 Beneficiaries		
Maximum Grant	50,000	
	<u>3,958,360</u>	<u>2,974,724</u>

The John Armitage Charitable Trust**Notes to the Financial Statements - continued**
for the Year Ended 5 April 2021**8. SUPPORT COSTS****Other resources expended**

	5.4.21	5.4.20
	£	£
Exchange differences	214,823	(169,502)
Governance costs	132,178	100,200
	<u>347,001</u>	<u>(69,282)</u>

Support costs, included in the above are as follows:

Governance costs

	5.4.21	5.4.20
	£	£
Auditors remuneration	19,454	18,360
Accountancy	15,406	15,326
Trust administration	31,696	18,651
Legal fees	65,354	47,322
Bank charges	236	561
	<u>132,178</u>	<u>100,220</u>

9. AUDITORS' REMUNERATION

	5.4.21	5.4.20
	£	£
Statutory audit	19,454	18,360
Other financial services	47,102	33,977
	<u>66,647</u>	<u>52,337</u>

The John Armitage Charitable Trust**Notes to the Financial Statements - continued**
for the Year Ended 5 April 2021**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 5 April 2021 nor for the year ended 5 April 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 5 April 2021 nor for the year ended 5 April 2020.

11. STAFF COSTS

There were no staff costs for the year ended 5 April 2021 nor for the year ended 5 April 2020.

The average monthly number of employees during the year ended 5 April 2021 was nil (2020 - nil). No employees received emoluments in excess of £60,000.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	-	13,876,175	13,876,175
Investment income	-	52,080	52,080
Total	-	13,928,255	13,928,255
EXPENDITURE ON			
Investment management	-	139,212	139,212
Charitable activities			
Grants to institutions	3,009,104	-	3,009,104
Other	(69,828)	546	(69,282)
Total	2,939,276	139,758	3,079,034
Net gains/(losses) on investments	-	(1,507,844)	(1,507,844)
NET INCOME/(EXPENDITURE)	(2,939,276)	12,280,653	9,341,377
Transfers between funds	2,939,276	(2,939,276)	-
Net movement in funds	-	9,341,377	9,341,377
RECONCILIATION OF FUNDS			
Total funds brought forward	-	100,178,204	100,178,204
TOTAL FUNDS CARRIED FORWARD	-	109,519,581	109,519,581

The John Armitage Charitable Trust**Notes to the Financial Statements - continued**
for the Year Ended 5 April 2021**13. FIXED ASSET INVESTMENTS**

	Listed investments £
MARKET VALUE	
At 6 April 2020	109,101,924
Additions	127,832,796
Disposals	(119,914,223)
Revaluations	33,040,402
	<hr/>
At 5 April 2021	150,060,899
	<hr/>
NET BOOK VALUE	
At 5 April 2021	150,060,899
	<hr/>
At 5 April 2020	109,101,924
	<hr/>
Analysis of investments:	
Unquoted assets:	
Non-UK	150,060,899
	<hr/>
	150,060,899
	<hr/>

Unquoted investments comprise units held in collective investment schemes. The investments are held primarily to provide an investment return arising from an increase in market value rather than from income. The investments are sufficiently liquid to allow partial disposals as and when cash funds are required to provide grants to institutions or to settle governance costs.

Cost or valuation at 5 April 2021 is represented by:

	Listed investments £
Valuation in 2021	44,118,444
Cost	105,942,455
	<hr/>
	150,060,899
	<hr/>

The John Armitage Charitable Trust**Notes to the Financial Statements - continued**
for the Year Ended 5 April 2021**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	5.4.21	5.4.20
	£	£
Trade creditors	27,439	-

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

15. ACCRUALS AND DEFERRED INCOME

	5.4.21	5.4.20
	£	£
Accruals	67,478	49,305

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowment fund	Total funds
	5.4.21	5.4.21
	£	£
Investments	150,060,899	150,060,899
Current assets	132,259	132,259
Current liabilities	(27,439)	(27,439)
Accruals and deferred income	(67,478)	(67,478)
	<u>150,098,241</u>	<u>150,098,241</u>

	Endowment fund	Total funds
	5.4.20	5.4.20
	£	£
Investments	109,101,924	109,101,924
Current assets	466,962	466,962
Current liabilities	-	-
Accruals and deferred income	(49,305)	(49,305)
	<u>109,519,581</u>	<u>109,519,581</u>

The John Armitage Charitable Trust**Notes to the Financial Statements - continued**
for the Year Ended 5 April 2021**17. MOVEMENT IN FUNDS**

	At 6.4.20 £	Net movement in funds £	Transfers between funds £	At 5.4.21 £
Unrestricted funds				
General fund	-	(4,394,827)	4,394,827	-
Endowment funds				
Unrestricted expendable endowment fund	109,519,581	44,973,487	(4,394,827)	150,098,241
TOTAL FUNDS	<u>109,519,581</u>	<u>40,578,660</u>	<u>-</u>	<u>150,098,241</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	-	(4,394,827)	-	(4,394,827)
Endowment funds				
Unrestricted expendable endowment fund	12,093,770	(160,686)	33,040,403	44,973,487
TOTAL FUNDS	<u>12,093,770</u>	<u>(4,555,513)</u>	<u>33,040,403</u>	<u>40,578,660</u>

Comparatives for movement in funds

	At 6.4.19 £	Net movement in funds £	Transfers between funds £	At 5.4.20 £
Unrestricted funds				
General fund	-	(2,939,276)	2,939,276	-
Endowment funds				
Unrestricted expendable endowment fund	100,178,204	12,280,653	(2,939,276)	109,519,581
TOTAL FUNDS	<u>100,178,204</u>	<u>9,341,377</u>	<u>-</u>	<u>109,519,581</u>

The John Armitage Charitable Trust**Notes to the Financial Statements - continued**
for the Year Ended 5 April 2021**17. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	-	(2,939,276)	-	(2,939,276)
Endowment funds				
Unrestricted expendable endowment fund	13,928,255	(139,758)	(1,507,844)	12,280,653
TOTAL FUNDS	<u>13,928,255</u>	<u>(3,079,034)</u>	<u>(1,507,844)</u>	<u>9,341,377</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 6.4.19 £	Net movement in funds £	Transfers between funds £	At 5.4.21 £
Unrestricted funds				
General fund	-	(7,334,103)	7,334,103	-
Endowment funds				
Unrestricted expendable endowment fund	100,178,204	57,254,140	(7,334,103)	150,098,241
TOTAL FUNDS	<u>100,178,204</u>	<u>49,920,037</u>	<u>-</u>	<u>150,098,241</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	-	(7,334,103)	-	(7,334,103)
Endowment funds				
Unrestricted expendable endowment fund	26,022,025	(300,444)	31,532,559	57,254,140
TOTAL FUNDS	<u>26,022,025</u>	<u>(7,634,547)</u>	<u>31,532,559</u>	<u>49,920,037</u>

Transfers between funds

The Expendable Endowment Fund represents capital which may be expended at the discretion of the trustees. During the year £4,394,827 (2020 - £2,939,276) was transferred from the Expendable Endowment fund to the Unrestricted Fund.

The John Armitage Charitable Trust

Notes to the Financial Statements - continued
for the Year Ended 5 April 2021

18. OTHER FINANCIAL COMMITMENTS

At the balance sheet date the trust had committed to pay grants totalling £2,735,679 (2020 - £2,184,112) within 12 months and £918,973 (2019 - £1,734,912) after 12 months. These amounts are payable subject to conditional terms which are set out in writing prior to payment of the initial donation. The commitments will be funded by the sale of fixed asset investments.

19. RELATED PARTY DISCLOSURES

Mr J C Armitage, a trustee of the Charity, is also a trustee of the Winston Churchill Memorial Trust, a beneficiary of the Charity. During the year the Charity made no donations (2020 - £54,000) to the Winston Churchill Memorial Trust.

Mr W Francklin, a trustee of the Charity, is also a trustee of Independence at Home, a beneficiary of the Charity. During the year the Charity made donations totalling £48,000 (2020 - £41,000) to Independence at Home.

Mrs C Francklin, a trustee of the Charity, is also the church warden of St John the Evangelist Church, Wicken (Wicken PCC), a beneficiary of the Charity. During the year the Charity made donations totalling £15,000 (2020 - £15,000) to St John the Evangelist Church, Wicken (Wicken PCC).

In relation to the above, the relevant trustee absented himself or herself from discussions relating to, and the vote on grants to a charity on whose board he or she also serves.

Trustees gifted shares worth £12,093,716 (2020 - £13,876,174) to the Charity during the year without conditions.

20. POST BALANCE SHEET EVENTS

In early 2020 a new coronavirus ("COVID-19") outbreak was declared a pandemic by the World Health Organisation. COVID-19 has caused global disruption to business and economic activity which has been reflected in fluctuations in global markets.

Despite the uncertainty surrounding COVID-19, the Trustees are of the opinion that COVID-19 will not have detrimental impact on the Charity.

21. ULTIMATE CONTROLLING PARTY

The Charity is under the joint control of the trustees.

22. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	5.4.21	5.4.20
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	40,578,660	9,341,377
Adjustments for:		
(Gain)/losses on investments	(33,040,403)	1,507,844
Interest received	(55)	(52,189)
Expenditure attributable to endowment	160,686	139,758
Income attributable to endowment	(12,093,715)	(13,876,175)
(Increase)/decrease in debtors	(52)	109
Increase/(decrease) in creditors	45,612	(13,507)
Net cash used in operations	<u>(4,349,267)</u>	<u>(2,952,783)</u>

The John Armitage Charitable Trust**Notes to the Financial Statements - continued**
for the Year Ended 5 April 2021**23.. ANALYSIS OF CHANGES IN NET FUNDS**

	At 6.4.20 £	Cash flow £	At 5.4.21 £
Net cash			
Cash at bank	466,962	(334,755)	132,207
	<u>466,962</u>	<u>(334,755)</u>	<u>132,207</u>
Total	<u>466,962</u>	<u>(334,755)</u>	<u>132,207</u>

24. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 5 April 2020	5.4.21 £	5.4.20 £
Cash and cash equivalents	<u>132,207</u>	<u>466,963</u>
Year ended 5 April 2019	5.4.20 £	5.4.19 £
Cash and cash equivalents	<u>466,693</u>	<u>2,985,732</u>