

**The McKittrick Bird Song Charitable Trust**

**First Annual Report and Financial Statements**

**For the Period 29<sup>th</sup> August 2019 to 30<sup>th</sup> September 2020**

**Charity no: 1185094**

**The McKittrick Bird Song Charitable Trust**

**Financial Statements**

**For the Period 29<sup>th</sup> August 2019 to 30<sup>th</sup> September 2020**

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## **The McKittrick Bird Song Charitable Trust**

### **Trustees Annual Report**

#### **For the Period 29<sup>th</sup> August 2019 to 30<sup>th</sup> September 2020**

The trustees present their first annual report and financial statements of the charity for the period ended 30<sup>th</sup> September 2020. 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 constitution, the Charities Act 2011 and 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) (effective 1 January 2019).

### **OBJECTIVES AND ACTIVITIES**

The objects of the Trust are as follows:

- the advancement by education for the benefit of the wider general public in the United Kingdom and where applicable Nepal, Brazil and Zimbabwe;
- the promotion of the preservation of the song bird;
- the promotion of classical music and arts to people under the age of 25 years or those suffering financial hardship;
- the promotion of education to people who are in need and disadvantaged;
- the promotion of the welfare of ex-military personnel;
- provide financial assistance by way of grants to the following charitable organisations: The Salvation Army (21477 ), Loretto Foundation (SC033035), Songbird Survival (1085281), ABF The Soldiers Charity (1146420), Ghurka Welfare Trust (1103669), The Julia Thomson Memorial Trust (SC039096), Zane Trust (05604011).

### **How our activities deliver public benefit**

In this, its first period, the main activity has been the successful management of the settlor and his family's initial wish to gift an unquoted investment to the charity, that it is hoped will generate significant funds in the future.

### **Grant making policy**

The trustees will have responsibility for grant-making decisions and will ensure that any such grants made will support and/or facilitate the objects of the organisation. The organisation may make a grant to any other organisation (which for the avoidance of doubt includes but is not limited to another registered charity; or a qualifying charity which is not required to register with the Charities Commission; or any other non-charitable organisation) or individual where such grant would in the reasonable opinion of the Trustees further the objects of the organisation. Any decision to make a grant will:

- be in accordance with the objects;
- be subject to the terms of and powers within the constitution of the organisation;
- comply with any funding or grant making policy which is or may be in force for the organisation from time to time; and be made in accordance with the principles identified in the Charities Commission guidance on public benefit.

## **The McKittrick Bird Song Charitable Trust**

### **Trustees Annual Report**

**For the Period 29<sup>th</sup> August 2019 to 30<sup>th</sup> September 2020**

#### **ACHIEVEMENTS AND PERFORMANCE**

During the first period the Trust has successfully made its first investment from funds received from one of the Brownlie family company's. As the donation and share purchase were not finalised until near the period end there was very little activity in the period.

#### **FINANCIAL REVIEW**

During the period, the charity has received restricted funds to the value of £553,169, with total expenses at £2,500.

No unrestricted funds were received during the year and no expenses incurred.

The Trustees have utilised the restricted funds, in accordance with the donor's wishes, to invest in an unquoted company. During the initial year, the charity has received no unrestricted funds, which would enable the commencement of grant making activities.

#### **Principal sources of funding**

The Trustees expect the majority of the charity's funding to be generated from the Brownlie family, strategic investment income and realised gains on investment disposals.

It is recognised that funds will grow slowly and that annually there will be fluctuations.

#### **Reserves Policy**

The Reserve fund represents accumulated restricted and unrestricted funds to date that will be managed to meet on-going commitments and flexibility to achieve the objects of the charity. The unrestricted funds represent the free reserves of the charity. The Trustees have examined the requirement to maintain free reserves and are aware that they are holding no unrestricted funds but as the charity is still in its infancy they are looking to address this in the coming year.

#### **Investment policy**

The Trustees will engage with professional investment managers to hold a balanced fund in quoted and unquoted companies together with an element of cash.

#### **Risk Management**

The principal risks identified by the Trust relate to the performance of investments, the support of the Brownlie family in the short term and ineffective promotion of the objects.

Investment performance will be protected, in the future to an extent, by the holding of a professionally managed portfolio in the medium risk category for quoted companies spread across Europe, Asia and the USA. The unquoted investment is categorised as a high-risk investment, which has been operating for several years, has the backing of both public institutions and high-worth individuals and is recognised as the market leader in its field. The Trustees will monitor the performance of the investment on a regular basis.

## **The McKittrick Bird Song Charitable Trust**

### **Trustees Annual Report**

**For the Period 29<sup>th</sup> August 2019 to 30<sup>th</sup> September 2020**

#### **Risk Management (continued)**

The Brownlie family are well represented as Trustees of the Charity and are the source of all funding to date. Their continued presence, in an active role, is considered to be a significant mitigator of the risk of lack of financial support.

Ineffective promotion of the objects will be reduced by a policy of support for existing registered charities, personally known charities such as The Julia Thompson Memorial Trust that operates in Brazil and careful scrutiny of individual applications relating to the relief of poverty.

#### **PLANS FOR FUTURE PERIODS**

The Trust aims to spend the next year completing its set up so that grants can start to be awarded.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Document**

The McKittrick Bird Song Charitable Trust is a Charitable Incorporated Organisation (CIO) registered as a charity on 29 August 2019. The charity was established under a Constitution which established the objects and powers of the charity.

#### **Recruitment and Appointment of Trustees**

The Trustees are initially appointed by the existing Board of Trustees. Nominations to be a Trustee are requested and have to be submitted in writing to the board for consideration at their next meeting.

The nominations for election are put to the AGM and the full board is thereby elected. At their first meeting after the AGM the Trustees elect their office bearers for the coming year.

#### **Trustees' Induction and Training**

The present Trustees are familiar with the practical work of the charity, having been actively involved in its establishment and evolution. They have fully considered the induction and training requirements of new Trustees

In addition, new Trustees' induction and training would also involve a briefing session with a Board member to further familiarise new Trustees with the charity and the context within which the charity operates. This briefing session would encompass:

- Obligations of Trustees.
- The main documents which set out the operational framework for the charity including the Constitution.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

All new Trustees would receive a copy of the Constitution, minutes of previous trustee meetings and the latest financial statements and report.

## **The McKittrick Bird Song Charitable Trust**

### **Trustees Annual Report**

**For the Period 29<sup>th</sup> August 2019 to 30<sup>th</sup> September 2020**

#### **Organisational Structure**

The McKittrick Bird Song Charitable Trust has a Board of Trustees that meet regularly to discuss the Charity. Due to the geographical spread of the trustees, the meetings are held via online or teleconferencing facilities.

#### **LEGAL AND ADMINISTRATIVE INFORMATION**

<b>Charity name</b>	The McKittrick Bird Song Charitable trust
<b>Charity registration number</b>	1185094
<b>The Trustees</b>	J McK Brownlie – Appointed 29 August 2019 V M I Brownlie – Appointed 29 August 2019 G J H Pollock – Appointed 29 August 2019
<b>Principal office &amp; operational</b>	1 One Hood Street Newcastle Upon Tyne NE1 6JQ
<b>Independent examiner</b>	Mark Macefield CA Whitelaw Wells Chartered Accountants 9 Ainslie Place Edinburgh EH3 6AT
<b>Bankers</b>	Royal Bank of Scotland plc 32 Court Street Haddington EH41 3NS

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

The law applicable to charities in England and Wales requires the Trustees to prepare accounts 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 accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

**The McKittrick Bird Song Charitable Trust**

**Trustees Annual Report**

**For the Period 29<sup>th</sup> August 2019 to 30<sup>th</sup> September 2020**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)**

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charities ( and reports ) Regulations and the provisions of the Constitution. 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the Trustees on 17 November 2021 and signed on their behalf by:



.....  
J McK Brownlie  
Trustee

**INDEPENDENT EXAMINERS REPORT**  
**To the Trustees of The McKittrick Bird Song Charitable Trust**

I report on the financial statements of the charity for the period ended 30 September 2020 which are set out on pages 9 to 15.

**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 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 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 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.

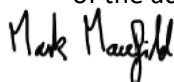
**Independent examiner's statement**

In connection with my examination, no 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 Charities Act; and
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act .

have 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.



Mark Macefield CA  
Whitelaw Wells  
Chartered Accountants  
9 Ainslie Place  
Edinburgh  
EH3 6AT  
Date: 17 November 2021



**McKittrick Bird Song Charitable Trust**

**Financial Statements**

**For the Period 29<sup>th</sup> August 2019 to 30<sup>th</sup> September 2020**

**Statement of Financial Activities**

		Unrestricted	Restricted	Total
		Funds	Funds	2020
	Note	£	£	£
<b>Income</b>				
Donations and legacies	<b>3</b>	-	553,169	553,169
Investment Income		-	-	-
<b>Total Income</b>		<u>-</u>	<u>553,169</u>	<u>553,169</u>
<b>Expenditure on:</b>				
Other Charitable Activities	<b>4</b>	-	(2,500)	(2,500)
Grant payable		-	-	-
Other		-	-	-
<b>Total Expenditure</b>		<u>-</u>	<u>(2,500)</u>	<u>(2,500)</u>
Net Movement in funds		<u>-</u>	<u>550,669</u>	<u>550,669</u>
<b>Reconciliation of funds</b>				
Total funds brought forward		-	-	-
Total funds carried forward		<u>-</u>	<u>550,669</u>	<u>550,669</u>

The Trust has no recognised gains or losses other than the results for the period as set out above.

All activities relate to continuing operations.

The notes on pages 12 to 15.

**McKittrick Bird Song Charitable Trust**

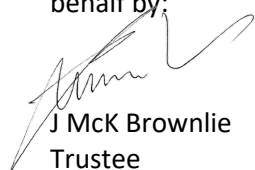
**Financial Statements**

**For the Period 29<sup>th</sup> August 2019 to 30<sup>th</sup> September 2020**

<b>Balance sheet</b>			<b>2020</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
Fixed Assets			
Investments	5		659,200
Current Assets			
Cash at bank		<u>100,000</u>	
		100,000	
Creditors: Amounts due within 1 year	6	<u>(208,531)</u>	
Net Current (Liabilities)/assets			<u>(108,531)</u>
Total Assets Less Current Liabilities	7		<u>550,669</u>
Funds	7		
Unrestricted			-
Restricted			<u>550,669</u>
			<u>550,669</u>

The notes on pages 12 to 15 form part of these financial statements.

These accounts were approved by the Trustees on 17 November 2021 and were signed on their behalf by:

  
J McK Brownlie  
Trustee

**McKittrick Bird Song Charitable Trust**

**Financial Statements**

**For the Period 29<sup>th</sup> August 2019 to 30<sup>th</sup> September 2020**

**Statement of Cash Flows**

**2020**

**£**

**Cash flows from operating activities**

Net cash provided by operating activities (below) 759,200

**Cash flows provided by from investing activities**

Purchase of Investments (659,200)

Net cash ( used ) by investing activities (659,200)

**Change in cash and cash equivalents in the year** 100,000

Cash and cash equivalents brought forward -

**Cash and cash equivalents carried forward** 100,000

**Reconciliation of net movement in funds**

**To net cash flow from operating activities**

**Net movement in funds for the year** 550,669

(Increase)/Decrease in debtors -

Increase/(Decrease) in creditors 208,531

**Net cash provided/(used) by operating activities** 759,200

**Cash and cash equivalents**

Instant access bank deposits 100,000

Cash at hand -

**Net cash provided by operating activities** 100,000

## **McKittrick Bird Song Charitable Trust**

### **Notes to the Financial Statements**

**For the Period 29<sup>th</sup> August 2019 to 30<sup>th</sup> September 2020**

#### **1. Accounting policies**

##### **Basis of Preparation**

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 note(s) 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 2019 ), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ( FRS 102 ) and the Charities Act 2011.

Monetary amounts in these financial statements are rounded to the nearest whole £1.

##### **Going Concern**

The financial statements have been prepared on a going concern basis. The Trustees have assessed the charity's ability to continue as a going concern and this assessment of going concern includes the recent effects of COVID-19 to the entity over the 12 month period subsequent to the signing of these financial statements.

##### **Donations**

Donations are included in the year which they are receivable and any goods donated are donated at market value.

##### **Investment and other income**

The charity has not received interest or other income in the year.

##### **Expenditure**

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA. The charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

##### **Investments**

Unquoted Investments are recorded at cost. The charity will make appropriate provisions for impairment when there is objective evidence that the recorded value is not supported by the financial status of the entity.

## **McKittrick Bird Song Charitable Trust**

### **Notes to the Financial Statements**

**For the Period 29<sup>th</sup> August 2019 to 30<sup>th</sup> September 2020**

#### **1. Accounting Policies ( contd.)**

##### **Financial Liabilities**

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

##### **Critical Accounting Estimates and Areas of Judgement**

Estimates and judgements are regularly reviewed with the benefit of previous experience and performance projections that are considered justifiable in the present circumstances.

##### **Restricted Funds**

Restricted funds are donations and income generated for specific projects or purposes.

##### **Unrestricted Funds**

Unrestricted funds are donations and income generated for the objects of the charity without specified purpose.

#### **2. Staff costs and related party transactions**

There are no employees. The charity does not remunerate the trustees nor reimburse their expenses.

The McKittrick Bird Song Charitable Trust is governed by a Board of Trustees with no member having control of the charity.

During the period the charity received donations totalling £553,169 from Drygrange Estate Company Limited, a company in which both J Mck Brownlie and V M I Brownlie are directors. At the period end £Nil remained outstanding.

Additionally, during the period the charity purchased an investment worth £659,200 from Drygrange Investments Limited, a company in which J Mck Brownlie is a director. At the period end £206,031 was due to the company by the charity.

There were no other transactions with related parties such as are required to be disclosed under Financial Reporting Standard 102.

**McKittrick Bird Song Charitable Trust**

**Notes to the Financial Statements**

**For the Period 29<sup>th</sup> August 2019 to 30<sup>th</sup> September 2020**

**3. Donations and legacies**

	<b>2020 Unrestricted £</b>	<b>2020 Restricted £</b>	<b>2020 Total £</b>
Drygrange Estate Company Limited	-	553,169	553,169
	<hr/>	<hr/>	<hr/>
	-	553,169	553,169
	<hr/>	<hr/>	<hr/>

**4. Expenditure on charitable activities**

	<b>2020 Total £</b>
Support costs:	
Accountancy and independent examination	<u>2,500</u>

Further analysis of the charitable activities is not provided as the Trustees believe the charity only has one main activity.

**5. Investments**

	<b>2020 £</b>
Value at 29 August 2019	-
Additions at cost	659,200
Net gain/(loss) on revaluation at year end	-
	<hr/>
Value at 30 September 2020	659,200
	<hr/>
Historical cost at 30 September 2020	659,200
	<hr/>
Investments are analysed as follows:-	
Unlisted equity investment	<u>659,200</u>

## McKittrick Bird Song Charitable Trust

### Notes to the Financial Statements

For the Period 29<sup>th</sup> August 2019 to 30<sup>th</sup> September 2020

#### 5. Investments (continued)

All investments are carried at fair value. The basis of fair value for quoted investments is equivalent to the market value, using bid price. Assets sales and purchases are recognised at the date of trade at cost (that is their transaction value).

During the year, the trustees on behalf of the charity acquired a minority holding in an unquoted company using the restricted funds in accordance with the donor's wishes. The charity is represented by a trustee at the company's Board Meetings. This investment is held at historic cost and is reviewed annually for any impairment. As the underlying company invested in is in its infancy the Trustees are of the opinion that although the underlying assets are lower than the investment that the company will make sufficient future profits to consider that no impairment has incurred.

#### 6. Creditors

	2020
	£
Accruals and other creditors	208,531

#### 7. Movement in funds

	At 29 August 2019 £	Income £	Expenditure £	Transfers £	At 30 September 2020 £
<b>Restricted Funds</b>					
Investment Fund	-	553,169	(2,500)	-	550,669
	-	553,169	(2,500)	-	550,669
<b>Unrestricted Funds</b>					
General Fund	-	-	-	-	-
	-	-	-	-	-
<b>Total Funds</b>	-	553,169	(2,500)	-	550,669

The Investment fund represents the donation received from Drygrange Estate Company Limited to purchase an investment from Drygrange Investments Limited.