

The Charlotte Aitken Trust

Annual Report and Financial Statements Year Ended 31 December 2023

Charity registration number: 1187395

The Charlotte Aitken Trust

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The Charlotte Aitken Trust

Reference and Administrative Details

Trustees	Sebastian Faulks CBE, FRSL, (Chair)
	Clare Alexander
	Rachel Cugnoni
	Nick Feeny (resigned 27/2/23)
	Lauren Howard
	Simon Murray
Senior Management / Leadership Team	Rachel Cugnoni, Grant Director
	Nick Feeny, Financial Director
Charity Registration Number	1187395
Principal Office	291 Gray's Inn Road LONDON WC1X 8QJ
Auditor	PKF Francis Clark Statutory Auditor Melville Building East Unit 18, 23 Royal William Yard PLYMOUTH Devon PL1 3GW
Investment Managers	Investec Wealth & Investment Limited 30 Gresham Street London EC2V 7QN

The Charlotte Aitken Trust

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 December 2023.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective - January 2019) and the Charities Act 2011.

Objectives and activities

Objects and aims

To advance the education of the public in the subject of literature.

To promote the creative arts for the public benefit, especially literature, whether fiction, non-fiction, drama or poetry.

Objectives and activities for the public benefit

The chief purpose of the Trust, as laid out in its governing document, is: 'the education of the public in the appreciation of literature' in all its forms.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

The charity carries out these objects by:

Funding prizes and grants, working where possible, though not exclusively, with existing charities.

Funding some capital developments, notably building, for instance restoration of the Brontë Museum at Haworth and Arvon Foundation teaching centre at Lumb Bank.

Given the young age of Charlotte Aitken at the time of her death, the charity is enthusiastic about engaging younger people in literature and some of its partnerships are with school programmes.

Fundraising disclosures

The charity does not actively fundraise and does not use any professional fund raisers or commercial participators.

Cost of raising funds in the accounts relate wholly to investment portfolio managers fees.

Public benefit

The trustees have reviewed the objects, goals, services and objectives of the charity and can confirm that The Charlotte Aitken Trust serves the public benefit. This trustees' annual report continues to evidence how the charity strives to meet need.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The Charlotte Aitken Trust

Trustees' Report (continued)

Grant making policies

The Charlotte Aitken Trust (CAT) has established its grant making policy to achieve its objects for the public benefit.

Beneficiaries are required to provide regular reports on how the grant has been used.

The trustees receive applications from numerous bodies. They also, through the Grant Director, seek to initiate opportunities.

The charity has been robust in not accepting applications from established bodies if they do not align with its aims to fulfil the wishes of Gillon Aitken's will and its obligations under Charity Commission guidance.

Details of how to apply for grants are available on the charity's website.

How our grant and research programmes delivered public benefit: A review of our achievements and performance

Some examples:

The Sunday Times Young Writer of the Year Awards are considered to be the most important in the industry for the nurturing of young talent. CAT is the sole sponsor.

There are considerable outreach and mentoring programmes attached to the prize.

The 2024 winner was a much admired novel by Tom Crew called The New Life.
<https://www.youngwriteraward.com>

The Young Vic is a successful charity with a strong community ethic that also produces commercially successful drama for West End and Broadway transfer. CAT has been the sponsor of its two most notable recent productions and has undertaken to back a new play, The Punch, by prize-winning playwright James Graham in 2025. <https://www.youngvic.org/whats-on>

CAT has received many requests from London theatres, including the National and the Old Vic, following Arts Council cuts. It is considering these while fostering relations with smaller independent organisations such as the Almeida.

The Charlotte Aitken Trust

Trustees' Report (continued)

CAT has undertaken to support the London Library Emerging Writers programme.

To increase the geographical reach of the trust CAT has entered into a partnership with an Arts Centre and theatre in the Western Isles - Mull and An Tobar - and is contributing to the development of a Writer's Centre within the existing structure of the organisation's headquarters, the old Tobermoray Primary School.

The trust has also formed a partnership with New Writing North and is helping to fund their Writing Chance programme offering young people from diverse backgrounds to gain the relevant experience required to find employment in the world of journalism and publishing
<https://newwritingnorth.com/a-writing-chance-16-writers-selected-for-michael-sheen-backed-programme>

First Story is a charity with a proven record of working with young people in challenging schools
<https://firststory.org.uk>

The Forward Foundation is the country's leading promoter of poetry, a minority form enjoying a renaissance.

CAT's three-year commitment to both these organisations is coming to an end with the view to seeking out fresh relationships in both the sphere of poetry and pre-tertiary education.

In 2024 CAT sponsored the first-ever Women's Prize for Non-Fiction. As well as providing the prize money, CAT commissioned a sculpture by Ann Christopher R.A., a cast of which is to be awarded annually to the winner.

The Arvon Foundation has an unmatched record in encouraging writing talent. The restoration of its Yorkshire base, formerly the home of poet laureate Ted Hughes, will enable it to continue this work and to develop programmes for more people in the local community, a new direction it discovered during Covid lockdown <https://www.arvon.org>

The Trust also gave out a number of small donations in support of local literary festivals and touring production companies. For example, Simple 8, the INK festival and Troupe.

Financial review

The total reserves of the charity at 31 December 2023 were £7,080,630 (2022: 6,922,411) of which £6,400,350 related to general unrestricted funds and £680,280 related to designated unrestricted funds.

At 31 December 2023 the charity had general unrestricted 'free reserves' of £840,307 (2022: £1,142,683).

The Trust was established and endowed by a bequest from the estate of Gillon Aitken. The funds from this bequest have now been received in full and no further bequests are anticipated.

The work of the Charlotte Aitken Trust is funded entirely from this endowment and the investment returns from it. The value and performance of these investments have closely matched its benchmark index.

As it is not the intention to establish a permanent fund the policy of the Trustees is to continue to make donations at the same rate regardless of the fund's investment performance.

The Charlotte Aitken Trust

Trustees' Report (continued)

Policy on reserves

The trust has no restricted reserves. The current intention is to run the unrestricted general and designated funds down over a period of around 25 years although this period will be subject to a detailed review later this year.

Investment policy and objectives

In the last quarter of 2021 the Trust appointed Investec Wealth & Investment Ltd (Investec) as their investment advisors who continue to perform that role. Apart from an amount held at the bank to meet any immediate needs, the funds have been placed with them. Investec have been instructed to pursue an investment strategy of seeking to maximise total returns within the constraints of a medium to low risk investment strategy. Additionally, in keeping with the general ethos and goals of a charity, they are also required to adopt an ethical investment policy. The trustees monitor both performance against the industry benchmark and compliance with the restrictions which have been maintained throughout the period.

At the last trustee meeting it was decided that there would be no significant changes to the investment strategy. The performance and general investment tactics will continue to be reviewed and discussed with Investec on a regular basis.

Plans for the future

CAT intends to continue spending down its capital as well as the interest.

It is having a strategy away-day conference later in the year to revisit the question of the charity's life expectancy and to redefine its aims at a strategic level.

Structure, governance and management

Nature of governing document

The Charlotte Aitken Trust was registered with the Charity Commission as a Charitable Incorporated Organisation (CIO) on 15 January 2020, and is governed by its trust deed dated 19 December 2019. It was financially dormant until it received its first donation on 29 September 2020.

The Charlotte Aitken Trust

Trustees' Report (continued)

The CIO was established with funds from the estate of Gillon Aitken, literary agent, chairman of Aitken Alexander, who died in October 2016, in the name of his only daughter, Charlotte, who predeceased him. CAT was not fully operational until 2021 and the terms of trustees appointed before then are deemed to have begun in that year.

New trustees are appointed by the existing trustees and serve for five years after which they may put themselves forward for re-appointment. The Constitution provides for a minimum of 3 trustees, to a maximum of 7 trustees, with no more than 3 trustees due for re-appointment in any one year.

At the quarterly trustees' meetings, the trustees agree the broad strategy and areas of activity for the charity, including consideration of grant making, investment, risk management policies and performance. The day-to-day administration of grants and the processing and handling of applications prior to consideration by the trustees is delegated to the Grant Director.

The chair and grant director meet at least once between main trustee meetings and are in weekly contact via e-mail and/or telephone.

The trustees have formally approved arrangements complying with the ICSA guide 'Recruitment, Appointment and Induction of Charity Trustees' selected for their experience, empathy and knowledge of the charity and to keep the skills and composition of the trustee body and succession planning under review.

The trustees have also developed a code of conduct for trustees including formal statements of role and responsibilities.

On appointment new trustees will sign a model trustee declaration statement committing them to giving of their time and expertise. The induction process follows the ICSA good practice guide with a formal induction programme for any newly appointed trustee which includes an initial meeting with the Chair and the trustees, followed by a series of short meetings with the Grant Director on investments, the grant making process, powers and responsibilities of the trustee board and the sub committees. The welcome pack includes a brief history of the Trust, trustee board minutes, a copy of the last three years' of annual reports and accounts, a copy of the constitution and a copy of the Charity Commission's guidance 'The Essential Trustee: What You Need to Know' and 'Charities and Public Benefit'.

All trustees give of their time freely, except the Grant Director, whose appointment in September 2022 was notified to the Charity Commission. Details of trustee expenses and related party transactions are disclosed in note 8 to the accounts. Trustees are required to disclose all relevant interests and register them with the Chair and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

Risk management

The trustees have considered the major risks to which the charity is exposed and have reviewed those risks and in conjunction with its lawyers have established systems and procedures to manage those risks.

The major risks are financial or reputational. These are outlined in detail in the Risk Management policy document.

The Charlotte Aitken Trust

Trustees' Report (continued)

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

21 October 2024

The annual report was approved by the trustees of the charity on and signed on its behalf by:

DocuSigned by:

Sebastian Faulks

.....29D911029998400.....

Sebastian Faulks CBE, FRSL, (Chair)
Trustee

The Charlotte Aitken Trust

Statement of Trustees' Responsibilities

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

The law applicable to charities 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 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees 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 corporate and financial information included on the charity's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

21 October 2024

Approved by the trustees of the charity on and signed on its behalf by:

DocuSigned by:

Sebastian Faulks

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Sebastian Faulks CBE, FRSL, (Chair)
Trustee

The Charlotte Aitken Trust

Independent Auditor's Report to the Members of The Charlotte Aitken Trust

Opinion

We have audited the financial statements of The Charlotte Aitken Trust (the 'charity') for the year ended 31 December 2023, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 auditor 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 original financial statements were 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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

The Charlotte Aitken Trust

Independent Auditor's Report to the Members of The Charlotte Aitken Trust (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 8), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Auditor Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

As part of our audit planning, through discussions with management, we obtained an understanding of the legal and regulatory framework that is applicable to the charity and the sector in which it operates to identify the key laws and regulations affecting the charity.

The Charlotte Aitken Trust

Independent Auditor's Report to the Members of The Charlotte Aitken Trust (continued)

The key laws and regulations we identified were General Data Protection Regulations (GDPR) and employment laws. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily the Charities Act, relevant tax compliance regulations in the UK and reporting framework (Charities SORP - FRS102).

We discussed with management how the compliance with these laws and regulations is monitored and we discussed the policies and procedures in place. We also identified the individuals who deal with any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the charity's ability to continue and the risk of material misstatement in the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- Reviewed legal and professional costs to identify any possible non compliance or legal costs in respect of non compliance; and
- Reviewed trustee meeting minutes

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none.

We also evaluated the risk of fraud through management override including that arising from management's incentives. The key risks we identified were misappropriation of investment income and completeness of income.

In response to the identified risk, as part of our audit work we:

- Reviewed income supporting documentation and compared it to how it has been recognised in the financial statements;
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making those estimates;

Because of the inherent limitation of an audit, there is a risk that we will not detect all irregularities, including those leading to non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

The Charlotte Aitken Trust

Independent Auditor's Report to the Members of The Charlotte Aitken Trust (continued)

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

.....46B3EDEBE022494.....

Duncan Leslie (Senior Statutory Auditor)
PKF Francis Clark , Statutory Auditor

Melville Building East
Unit 18, 23 Royal William Yard
PLYMOUTH
Devon
PL1 3GW

21 October 2024
Date:.....

The Charlotte Aitken Trust

Statement of Financial Activities

Year Ended 31 December 2023

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2023 £
Income and Endowments from:			
Donations and legacies	2	70,320	70,320
Investment income	3	174,452	174,452
Total income		<u>244,772</u>	<u>244,772</u>
Expenditure on:			
Raising funds	4	(43,729)	(43,729)
Charitable activities	5	(353,630)	(353,630)
Total expenditure		<u>(397,359)</u>	<u>(397,359)</u>
Realised and unrealised gains on investment assets		<u>310,306</u>	<u>310,306</u>
Net income		<u>157,719</u>	<u>157,719</u>
Net movement in funds		157,719	157,719
Reconciliation of funds			
Total funds brought forward		<u>6,922,411</u>	<u>6,922,411</u>
Total funds carried forward	14	<u><u>7,080,130</u></u>	<u><u>7,080,130</u></u>

The Charlotte Aitken Trust

Statement of Financial Activities

Year Ended 31 December 2023 (continued)

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2022 £
Income and Endowments from:			
Donations and legacies	2	7,629,980	7,629,980
Investment income	3	<u>187,995</u>	<u>187,995</u>
Total income		<u>7,817,975</u>	<u>7,817,975</u>
Expenditure on:			
Raising funds	4	(38,005)	(38,005)
Charitable activities	5	<u>(206,350)</u>	<u>(206,350)</u>
Total expenditure		(244,355)	(244,355)
Gains/losses on investment assets		<u>(651,209)</u>	<u>(651,209)</u>
Net income		<u>6,922,411</u>	<u>6,922,411</u>
Net movement in funds		<u>6,922,411</u>	<u>6,922,411</u>
Reconciliation of funds			
Total funds carried forward	14	<u>6,922,411</u>	<u>6,922,411</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2023 and 2022 is shown in note 14.


The Charlotte Aitken Trust

Balance Sheet

31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	10	6,240,323	5,779,728
Current assets			
Debtors	11	77,827	5,712
Cash at bank and in hand		<u>858,294</u>	<u>1,145,971</u>
		936,121	1,151,683
Creditors: Amounts falling due within one year	12	<u>(96,314)</u>	<u>(9,000)</u>
Net current assets		<u>839,807</u>	<u>1,142,683</u>
Net assets		<u><u>7,080,130</u></u>	<u><u>6,922,411</u></u>
Funds of the charity:			
Unrestricted income funds			
Designated funds		680,280	650,000
General funds		<u>6,399,850</u>	<u>6,272,411</u>
Total funds	14	<u><u>7,080,130</u></u>	<u><u>6,922,411</u></u>

The financial statements on pages 13 to 27 were approved by the trustees, and authorised for issue on 21 October 2024 and signed on their behalf by:

DocuSigned by:

.....29D911029998400.....
Sebastian Faulks CBE, FRSL, (Chair)
Trustee

The Charlotte Aitken Trust

Cash Flow Statement

Year Ended 31 December 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net income		157,719	6,922,411
Adjustments to cash flows from non-cash items			
Investment income	3	(174,452)	(187,995)
Revaluation of investments		<u>(290,106)</u>	<u>624,185</u>
		(306,839)	7,358,601
Working capital adjustments			
Increase in debtors	11	(72,115)	(5,712)
Increase in creditors	12	<u>87,314</u>	<u>9,000</u>
Net cash flows from operating activities		<u>(291,640)</u>	<u>7,361,889</u>
Cash flows from investing activities			
Interest receivable and similar income	3	27,710	492
Purchase of investments	10	(1,402,279)	(9,534,724)
Sale of investments		1,231,790	3,130,811
Income from dividends	3	<u>146,742</u>	<u>187,503</u>
Net cash flows from investing activities		<u>3,963</u>	<u>(6,215,918)</u>
Net (decrease)/increase in cash and cash equivalents		(287,677)	1,145,971
Cash and cash equivalents at 1 January		<u>1,145,971</u>	-
Cash and cash equivalents at 31 December		<u><u>858,294</u></u>	<u><u>1,145,971</u></u>

All of the cash flows are derived from continuing operations during the above period.

The Charlotte Aitken Trust

Notes to the Financial Statements

Year Ended 31 December 2023

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective - January 2019) and the Charities Act 2011.

Basis of preparation

The Charlotte Aitken Trust meets the definition of a public benefit entity under FRS 102. The accounts (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.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in this note, the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historically known factors and experience. Therefore, the trustees do not perceive there to be critical areas of judgement or key sources of estimation uncertainty in the formulation of the financial statements.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Legacies are recognised by the charity when the following criteria have been met:

- When it has sufficient evidence that a gift has been left to it and the executor is satisfied that the property in question will not be required to satisfy claims in the estate;
- When it is probable that it will be received - receipt is normally deemed to be probable when there has been grant of probate; the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and any conditions attached to the legacy are either within the control of the charity or have been met.
- When the charity is able to estimate with sufficient accuracy the amount receivable.

Donations are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

The Charlotte Aitken Trust

Notes to the Financial Statements

Year Ended 31 December 2023 (continued)

Investment income

Dividends are credited to the income and expenditure account when received together with any associated tax credits. Interest is accrued on cash deposits.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, the probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

Raising funds

These are costs incurred in attracting voluntary income and the management of investments.

Charitable activities

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.

Grant expenditure

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. Grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the Trust.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charity for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Charlotte Aitken Trust

Notes to the Financial Statements

Year Ended 31 December 2023 (continued)

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Financial instruments

Classification

The charity holds the following financial instruments:

- Short term trade and other debtors and creditors; and
- Cash and bank balances

All financial instruments are classified as basic.

Recognition and measurement

The charity has chosen to apply the recognition and measurement principles in FRS102. Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument and de-recognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the charity's obligations are discharged, expire or are cancelled.

These instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the un-discounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

The Charlotte Aitken Trust

Notes to the Financial Statements

Year Ended 31 December 2023 (continued)

2 Income from donations and legacies

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Donations and legacies;			
Donations from individuals	320	320	3,862
Legacies and bequests	70,000	70,000	7,626,118
	<u>70,320</u>	<u>70,320</u>	<u>7,629,980</u>

3 Investment income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Income from dividends;			
Dividends and distributions receivable from listed investments	146,742	146,742	187,503
Interest receivable and similar income;			
Interest receivable on bank deposits	27,710	27,710	492
	<u>174,452</u>	<u>174,452</u>	<u>187,995</u>

The Charlotte Aitken Trust

Notes to the Financial Statements

Year Ended 31 December 2023 (continued)

4 Expenditure on raising funds

a) Investment management costs

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Other investment management costs;			
Amounts payable to investment managers	43,729	43,729	38,005
	<u>43,729</u>	<u>43,729</u>	<u>38,005</u>

5 Expenditure on charitable activities

	Unrestricted funds Designated £	General £	Total 2023 £	Total 2022 £
Grant funding of activities	208,540	80,763	289,303	192,540
Allocated support costs	-	35,481	35,481	1,101
Governance costs	-	28,846	28,846	12,709
	<u>208,540</u>	<u>145,090</u>	<u>353,630</u>	<u>206,350</u>

The Charlotte Aitken Trust

Notes to the Financial Statements

Year Ended 31 December 2023 (continued)

Analysis of grants

	Grants to institutions	
	2023	2022
	£	£
Institution		
Almedia Theatre	25,000	-
Appledore Book Festival	20,000	20,000
Arvon Lumb Redevelopment	50,000	-
British Sculptors	3,000	-
First Story	20,000	-
Forward Arts Foundation - Poetry prizes	22,540	22,540
New Writing North	16,000	-
North East Theatre	5,000	-
R N I B - Talking Books Project	-	25,000
Sunday Times - Young Writer of the Year Award	77,763	80,000
Young Vic - production sponsor	50,000	45,000
	<u>289,303</u>	<u>192,540</u>

The support costs associated with grant-making are £Nil (31 December 2022 - £Nil).

The Charlotte Aitken Trust

Notes to the Financial Statements

Year Ended 31 December 2023 (continued)

6 Analysis of governance and support costs

Support costs allocated to charitable activities

	Basis of allocation	Governance costs £	Other support costs £	Total 2023 £	Total 2022 £
Trustee consultancy fees	100%	-	27,079	27,079	1,089
Trustees' expenses	100%	2,246	-	2,246	2,620
Bank charges	100%	-	377	377	754
Office costs	100%	-	5,025	5,025	347
Accountancy fees	100%	-	3,000	3,000	-
Audit fees	100%	6,500	-	6,500	6,500
Other non-audit services	100%	3,000	-	3,000	3,000
Legal fees		17,100	-	17,100	-
		<u>28,846</u>	<u>35,481</u>	<u>64,327</u>	<u>14,310</u>

Governance costs

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Audit fees			
Audit of the financial statements	6,500	6,500	6,000
Other fees paid to auditors	3,000	3,000	3,000
Trustees' remuneration and expenses	2,246	2,246	3,709
Legal fees	17,100	17,100	-
	<u>28,846</u>	<u>28,846</u>	<u>12,709</u>

7 Net incoming resources

Net incoming resources for the year include:

	2023 £	2022 £
Audit fees	6,500	6,000
Other non-audit services	<u>3,000</u>	<u>3,000</u>

The Charlotte Aitken Trust

Notes to the Financial Statements

Year Ended 31 December 2023 (continued)

8 Trustees' remuneration and expenses

During the year four trustees (2022: three) were reimbursed a total of £2,246 (2022: £2,620) in respect of travel and subsistence costs incurred in connection with the charity.

During the year Rachel Cugnoni, Trustee and Grant Director received consultancy fees of £27,079 (2022: £1,089).

9 Taxation

The charity is a registered charity and is therefore exempt from taxation.

10 Fixed asset investments

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 January 2023	5,779,728	5,779,728
Additions	1,402,279	1,402,279
Disposals	(1,231,790)	(1,231,790)
Revaluation	290,106	290,106
	<u>6,240,323</u>	<u>6,240,323</u>
At 31 December 2023	<u>6,240,323</u>	<u>6,240,323</u>
Net book value		
At 31 December 2023	<u>6,240,323</u>	<u>6,240,323</u>
At 31 December 2022	<u>5,779,728</u>	<u>5,779,728</u>

Under historical costs principles, the historical cost of investments at 31 December 2023 was £6,393,774 (2022: £6,311,378). All of the above investments were listed on a recognised stock exchange.

The following investment represented more than 5% of the total investments held at 31 December 2023 and as a consequence is required to be separately disclosed:

Holding	Security	Market Value
9,369	J P Morgan ETFS (Ire US Rei Equity)	328,219

The Charlotte Aitken Trust

Notes to the Financial Statements
Year Ended 31 December 2023 (continued)

11 Debtors

	2023	2022
	£	£
Accrued income	<u>77,827</u>	<u>5,712</u>

12 Creditors: amounts falling due within one year

	2023	2022
	£	£
Accruals	<u>96,314</u>	<u>9,000</u>

13 Contingent assets

On 22.4.24 the executors of the Estate of Gillon Aitken felt able to release the final balance to the charity being £467,409. As at the year end, certain conditions had not been satisfied meaning that the balance could not be reliably measured or guaranteed to the charity. Therefore, the balance has not been recognised as revenue in these financial statements.

The Charlotte Aitken Trust

Notes to the Financial Statements

Year Ended 31 December 2023 (continued)

14 Funds

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains £	Balance at 31 December 2023 £
Unrestricted funds						
<i>General</i>						
Unrestricted funds	6,272,411	244,772	(188,519)	(238,820)	310,306	6,400,150
<i>Designated</i>						
Unrestricted funds	<u>650,000</u>	<u>-</u>	<u>(208,840)</u>	<u>238,820</u>	<u>-</u>	<u>679,980</u>
Total funds	<u>6,922,411</u>	<u>244,772</u>	<u>(397,359)</u>	<u>-</u>	<u>310,306</u>	<u>7,080,130</u>

Designated unrestricted funds relate to commitments for projects due to take place in future years.

The Charlotte Aitken Trust

Notes to the Financial Statements

Year Ended 31 December 2023 (continued)

	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2022 £
Unrestricted funds				
General	7,817,975	(895,564)	(650,000)	6,272,411
Designated	-	-	650,000	650,000
Total funds	<u>7,817,975</u>	<u>(895,564)</u>	<u>-</u>	<u>6,922,411</u>

15 Analysis of net assets between funds

	Unrestricted funds		Total funds at 31 December 2023 £
	General £	Designated £	
Fixed asset investments	6,240,323	-	6,240,323
Current assets	255,841	680,280	936,121
Current liabilities	(95,814)	-	(95,814)
Total net assets	<u>6,400,350</u>	<u>680,280</u>	<u>7,080,630</u>

16 Analysis of net funds

	At 1 January 2023 £	Financing cash flows £	At 31 December 2023 £
Cash at bank and in hand	1,145,971	(287,677)	858,294
Net funds	<u>1,145,971</u>	<u>(287,677)</u>	<u>858,294</u>

17 Related party transactions

Trustees' remuneration is disclosed in note 8. There were no other related party transactions in the year.

18 Control

The charity is controlled by the board of Trustees.