

Registered Charity No. 221593

THE FRIEDA SCOTT CHARITABLE TRUST

(Dated 15th September 1962)

**TRUSTEES' ANNUAL REPORT
and
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31st MARCH 2021**

THE FRIEDA SCOTT CHARITABLE TRUST

Dated 15th September 1962 – Registered Charity No. 221593

Reference and administrative information

Trustees

Alison Alger
Richard D L Brownson
C Stuart Fairclough
Simon Kirby
Vanda J Lambton
Hugo D Pring
Samuel A M Rayner
Samantha Scott (Chair)
Laura J Southern

Officers

Celia Forsyth – Trust Secretary
Helen Carter – Director

Address

Stricklandgate House
92 Stricklandgate
Kendal
Cumbria LA9 4PU

Auditors

Haines Watts Manchester Limited
3rd Floor, Northern Assurance Buildings
Albert Square
9-21 Princess Street
Manchester M2 4DN

Bankers

Barclays Bank plc
9 Highgate
Kendal
Cumbria LA9 4DF

The Charities Official Investment Fund (COIF)
80 Cheapside
London EC2V 6DZ

Investment Advisers

Cazenove Capital (part of the Schroder Group)
1 London Wall Place
London EC2Y 5AU

Solicitors

Currey & Co.
33 Queen Anne Street
London W1G 9HY

THE FRIEDA SCOTT CHARITABLE TRUST

Dated 15th September 1962 – Registered Charity No. 221593

Trustees' Annual Report (for the year ended 31st March 2021)

The Trustees present their annual report and audited financial statements for the year ended 31st March 2021. Reference and administrative information set out on page 2 forms part of this report.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Trust Deed, the Charities Act 2011 and 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 the Republic of Ireland published on 16 July 2014 and updated in October 2019.

STRUCTURE, GOVERNANCE & MANAGEMENT

Overview

The Board of Trustees met three times during the year.

The Investment Committee of Trustees – comprising Stuart Fairclough (Chair), Hugo Pring, Sam Rayner and Simon Kirby – met four times during the year in order to monitor investment performance and discuss strategy. Three of the meetings were attended by representatives of the Trust's Investment Managers.

The Small Grants Committee met three times during the year to consider funding requests of £3,500 or less. The committee comprises four members: Richard Brownson (Chair), Vanda Lambton, Laura Southern and Alison Alger.

Samantha Scott and Alison Alger represented the interests of the Frieda Scott Charitable Trust on a Personnel Committee comprising Trustees from two other Trusts with whom the Trust shares personnel and office resources. This committee met three times during the year. From February 2021, Alison Alger Chaired this Committee.

During the year Trustees increased oversight of the Trust's financial and risk management by creating a Finance & Risk Committee. In recognition of the shared personnel and office resource which manage this on a day to day basis, committee membership comprises Trustees from this Trust and the Francis C. Scott Trust. The Frieda Scott Trust is represented on this Committee by Sam Rayner and Laura Southern. The committee meets jointly in the year to review internal controls, risk management and other elements of oversight relevant to both Trusts. Frieda Scott representatives also meet the Trust's Auditors twice during the year to plan for the Audit and to review findings and recommendations.

During the year, Stuart Fairclough and Hugo Pring were the FSCT's nominated representatives on the Brewery Arts Centre Endowment Trust (BACET) which was founded in 1997 with a significant grant of FSCT endowed funds.

As allowed by the Trust Deed (15.9.62), the Trust is a self-perpetuating body with Trustees alone being responsible for the appointment and retirement of Trustees. No Trustees retired or were appointed during the year.

The Chair of Trustees is responsible for the induction and, with the assistance of the Director, the training of new Trustees. An induction package is prepared for any new Trustee and includes the following: Copy of the Trust Deed, Grant Distribution Policy, Investment Policy, Organisational Chart, Risk Assessment Report, most recent Annual Review of Grants Paid, Minutes from the last three Trustee meetings, most recent Accounts, Application Form and Guidelines. New Trustees are also referred to the Trust's website (www.friedascott.org.uk) and relevant guidance for Trustees published by the Charity Commission.

The Trust does not employ any staff directly; however, it does use the services of two part-time and one full time employees of another Trust (the Francis C Scott Charitable Trust). The Director's role in relation to the Trust is to line manage the Trust Secretary and provide advice and information to Trustees in relation to the Trust's strategy, Charity Commission guidelines and developments in the grant-making field and the voluntary/community

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Trustees' Annual Report (continued)

sector. The total number of staff working for the Frieda Scott Charitable Trust, calculated on a full-time equivalent basis, was 0.85 during the year.

Trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- 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 operation.

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 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

OBJECTIVES & ACTIVITIES

Constitution & History

The Trust was established by Deed of Trust dated 15.9.62 with the widest powers to distribute for charitable purposes. The Trust was registered as the Second Matson Ground Trust and was endowed with assets and property by Francis C Scott and his wife Frieda Scott. Between 1963 and 1976, further cash and investments were settled upon the Trust by the Francis C Scott Charitable Trust, by Francis C Scott himself and by his daughter Dr Joan Trevelyan.

Soon after Frieda Scott passed away in 1973, the Trust gained Charity Commission approval to change its name to the Frieda Scott Charitable Trust in recognition of her many years of support for charities and the arts in Westmorland. Successive generations of Trustees have honoured this legacy with a focus on funding a wide number of local community initiatives and charities supporting disadvantaged and vulnerable people.

Reflecting its legacy, the Trust's geographical focus has always been the former county of Westmorland, with the area covered by South Lakeland District being added to the beneficial area following the changes to the county boundaries implemented in 1974. The Trust's office is based in Kendal which served as the headquarters for the Scott family business (Provincial Insurance Company plc) for 76 years, the source of the endowed funds.

THE FRIEDA SCOTT CHARITABLE TRUST

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Trustees' Annual Report (continued)

Grant making policy

The Trust is a long-standing supporter of local community groups and Trustees continue to welcome applications from voluntary/charitable organisations working on the ground to meet the most urgent needs in their area. Particular consideration is given to projects supporting the most disadvantaged and vulnerable in our society.

During a strategic review in December 2020, Trustees reaffirmed this policy and confirmed the following priority areas of support: Older people (particularly the vulnerable and isolated); people with disabilities, mental health needs and/or learning disabilities; children and young people (particularly the most disadvantaged); family support work; victims/survivors of domestic/sexual abuse, and substance misuse; prevention and rehabilitation of offenders; carers; village halls and community centres; improving access to services for rural communities; voluntary sector infrastructure and support; arts and sports projects where the primary objective is community benefit or the support of vulnerable groups; young people's uniformed groups.

Trustees will not usually support applications involving: retrospective funding, statutory bodies (including health and education), places of worship, the promotion of religion, individuals, expeditions, animal charities, wildlife/heritage/ environmental causes, museums, art galleries or national charities unless they have active local branches.

Details of the grant commitments made during FY2020/21 are listed in note 18 (p21-23).

Activities

The Trustees are aware that any activity aimed at achieving the above policy must be proportionate to the annual distributable income of the Trust. More specifically:

- a) The Trust Secretary initially reviews all applications for funding (made using the Trust's Application Form) and relevant financial information before corresponding with applicants to answer any questions and then submitting them to Trustees for their consideration.
- b) Where it is deemed necessary and appropriate, the Trust Secretary will arrange for one or more Trustees to visit applicants' projects to better understand the nature of their work/services.
- c) The Trust Secretary encourages appropriate organisations to apply to the Trust by:
 - attending funding fairs and funding advice workshops held at locations in the Trust's beneficial area
 - liaising with local advice bodies such as Cumbria CVS
 - encouraging enquiries and directing applicants to the Trust's website.

ACHIEVEMENTS & PERFORMANCE

Review of the Year

The Trust's investment portfolio is managed on a total return basis. The Trust received total investment income of £152,702 (2019/20: £294,921) during the year.

Trustees considered and adjusted the investment objective and distribution of income in the year to ensure that current levels of expenditure are sustainable in the long term. This is outlined further in the Distribution Strategy on Pg. 7.

For significant periods during the year, the UK population, like many globally were required to stay at home to limit public and social contact in order to contain the spread of Coronavirus, a global pandemic present throughout the reporting period.

Whilst some grant holders were forced to pause their activity during these periods, many continued to deliver much needed support, adapting services to work digitally and expanding provision to meet additional needs, exacerbated by the pandemic.

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Trustees' Annual Report (continued)

Despite the limitations to normal life, the Trust continued its operations with little disruption, committing 29 grant totalling £264,702 (2019/20: £242,647). The total number of grants requested and awarded was lower than in previous years, but overall grants committed by volume was slightly up.

Grants to Charitable Organisations	FY 2020/21	FY 2019/20	FY2018/19	FY2017/18	FY2016/17
Number of applications considered	34	48	47	50	44
Total value of funds requested	£293,137	£451,502	£342,956	£398,575	£282,066
Number of grants awarded	29	38	39	34 (including extraordinary grant)	37
Value of ordinary grants awarded	£264,702	£242,637	£224,326	£190,000	£255,300
Extraordinary grant				£75,000	
Percentage of applications awarded grants	85%	79%	83%	68%	84%
Average grant size (excluding extraordinary grants)	£9,127	£6,385	£5,900	£5,760	£6,900

Public Benefit

The Trustees have given consideration to and confirm that the Trust's policy, activities and beneficial outcomes described in this Report ensure that the Trust meets both the spirit and the letter of the Public Benefit requirement as specified in Charity Commission guidance.

Risk Management

A Risk Assessment Report is tabled every year for consideration by Trustees that includes 28 items with corresponding comments as to how best to address, ameliorate and/or monitor the identified risks. The most significant risk identified by Trustees is a major downturn in the value of the Trust's investments which, if it were to continue over the longer term, would impact on its ability to provide grants to its priority areas of charitable work as outlined on pages 4 & 5. This risk is addressed by holding a diversified portfolio of investments, retaining expert investment managers and by having policies in place to adjust distribution levels over time.

FINANCIAL REVIEW

The FSCT Trust Deed allows Trustees absolute discretion over the investment of the Trust's capital and income and gives Trustees the power to distribute both income and capital as they think fit.

Investment Objective

FSCT Trustees aim to achieve both capital and income growth and at least to preserve the real value (as defined by RPI) of the Trust's assets over the long term to balance the needs of current and future beneficiaries.

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Trustees' Annual Report (continued)

Investment Strategy

FSCT Trustees have adopted a total return policy to achieve the investment objective and have retained Cazenove Capital as the Trust's Investment Advisors/ Fund Managers.

Distribution Strategy

In order to sustain current levels of giving over the long term, FSCT Trustees have decided to spend from income and capital growth on a total return basis representing an agreed % of the total value of the portfolio (calculated on a trailing 13 quarter average) on grant-making and operations in any one year. During the year Trustees amended the % rate from the previous existing level of 3.25% to 2.25% to reflect the impact on the portfolio's income at the beginning of the Covid crisis. The distribution strategy will be kept under review and amended as necessary to reflect the balance required between meeting current need and considering future beneficiaries.

Investment Performance

Total return on the portfolio for the year was 24.0% (2019/20: -7.7%). This compares to an agreed composite benchmark of 23.3% (2019/20: -11.4%) and the ARC Steady Growth Charity Index of 24.8% (2019/20: 7.9%). Trustees reviewed this performance, as well as comparative returns over 3 and 5 years.

Reserves

As allowed by the Trust Deed, Trustees treat the capital of the Trust as expendable endowment, which is managed on a total return basis to generate funds for the charity's grant-making programme. In order to preserve the real value of the endowment, the Income Fund is accounted for as a percentage of the total Cazenove portfolio, rather than being invested in specific stocks, so that it is more appropriately diversified, and its value protected.

The unspent income reserve, designated the Contingency Reserve, provides flexibility for the FSCT Board in awarding significant grants or to supplement regular giving. This reserve is retained by COIF for in-house management. The balance on this fund at 31st March 2021 was £80,606 (2019/20: £76,119). COIF is the Charities Official Investment Fund, managed by CCLA.

As at 31st March 2021 there was a negative balance on unrestricted funds (free reserves) of £74,492 (2019/20: positive £63,442). This arises because of the inclusion in the financial statements of grant commitments of £49,938 (2019/20: £10,735) over the next 2 years that are not due to be paid until after future investment returns are received. Forward commitments are made within a calculation that protects Trustees capacity to commit grants in future years within the distribution strategy. The Trustees are satisfied that this is a sensible approach in relation to annual investment income and that their investment strategy is sufficiently robust to obviate the need for a designated reserve fund. The negative reserve balance also reflects the fact that grant commitments were made in excess of income for the year. A balance of £26,155 was transferred from the Contingency Reserve following year-end.

PLANS FOR FUTURE PERIODS

Trustees annually review the way in which the Trust is administered to ensure it is both efficient and cost effective in distributing its income, making effective use of sub committees to achieve this. Trustees intend to continue this process in the year ahead.

During the year Trustees undertook a strategic review of the grant making priorities. This process confirmed Trustees commitment to the overall objective and refocussed the priority areas as detailed on pg. 5.

Trustees will invite and welcome applications for funding from those charities that, in their opinion, are able to demonstrate an ability to meet the needs of local communities, the vulnerable and the disadvantaged within the old County of Westmorland and the area covered by the South Lakeland District Council. The Trustees plans in relation to the Trust's investments and reserves are outlined above.

THE FRIEDA SCOTT CHARITABLE TRUST

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Trustee's Annual Report (continued)

Going concern

The Trustees have considered the effect of the Covid-19 crisis on the Trust's financial position. Though a significant impact on the investment values was experienced during the first half of 2020, the fund value of £10,913,664 at the year end, March 31st 2021 has recovered to exceed the 2020 year end valuation of £8,955,629. Trustees are mindful that the income from the fund may fluctuate in future financial years. The level of distribution made available remains at Trustees' discretion, as does the use of capital to meet agreed distribution levels. Based on these assessments and given the measures that could be undertaken to mitigate any adverse conditions, the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

This report was approved by Trustees and signed on their behalf on 25th November 2021.



By
Samantha Scott
Chair of Trustees

THE FRIEDA SCOTT CHARITABLE TRUST

Dated 15th September 1962 – Registered Charity No. 221593

Independent Auditors' report to the Trustees of The Frieda Scott Charitable Trust

Opinion

We have audited the financial statements of The Frieda Scott Charitable Trust (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 March 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 Auditor's 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charity and the wider economy. The trustees' view on the impact of COVID-19 is disclosed in the trustees' annual report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

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

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Independent Auditors' report to the Trustees of The Frieda Scott Charitable Trust

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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on pages 3 and 4, the Trustees are responsible for the preparation of 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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:

- identifying and assessing the design and effectiveness of controls that management has in place to prevent and detect fraud;
- identifying and testing journal entries, in particular any journals we considered to be unusual;
- reviewing internal control reports of fund managers to assess reliance;
- performing sample testing on valuations of investments and dividends received to external sources e.g. stock market;
- assessing external correspondence from grant recipients and minutes for grants committed;
- reviewing of minutes and cross-referencing to figures where applicable;
- assessing the extent of compliance with applicable laws and regulations

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Independent Auditors' report to the Trustees of The Frieda Scott Charitable Trust

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

Use of audit 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 auditor's 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.

Haines Watts Manchester Ltd

Haines Watts Manchester Limited, Statutory Auditor

Date 08/12/2021

3rd Floor, Northern Assurance Buildings, Albert Square, 9-21 Princess Street, Manchester, M2 4DN

Haines Watts Manchester Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE FRIEDA SCOTT CHARITABLE TRUST

Statement of financial activities For the year ended 31 March 2021

	Notes	Expendable endowment £	Restricted Fund	General unrestricted £	Total 2021 £	Total 2020 £
Income						
Investment income	2	-	-	152,702	152,702	294,921
Donation	17	-	45,000	-	45,000	-
Total Income		-	45,000	152,702	197,702	294,921
Expenditure						
<i>Costs of raising funds</i>						
Investment management costs	3	- 41,592	-	432	- 42,024	- 42,893
<i>Expenditure on charitable activities</i>						
Grant making						
Grants committed	4/18	-	-	261,202	- 261,202	- 242,637
Grant related support/governance costs	4	-	-	46,203	- 46,203	- 37,858
Total expenditure		-	-	307,405	- 307,405	- 280,495
Net (expenditure)/income before gains/(losses) on investments		- 41,592	45,000	- 155,135	- 151,727	- 28,467
Net gains/(losses) on investments	11	1,999,649	-	21,248	2,020,897	- 986,723
Net movement in funds		1,958,057	45,000	- 133,887	1,869,170	- 1,015,190
<i>Reconciliation of funds</i>						
Total funds brought forward		8,828,685	-	256,239	9,084,925	10,100,114
Total funds carried forward	16	10,786,743	45,000	122,352	10,954,095	9,084,925

The notes on pages 14 to 24 form part of these financial statements. The trust has no recognised gains and losses other than those stated above. All incoming resources and resources expended derive from continuing activities.

THE FRIEDA SCOTT CHARITABLE TRUST

Balance sheet As at 31 March 2021

	Notes	Expendable endowment £	Restricted Fund £	General unrestricted £	Total 2021 £	Total 2020 £
Fixed assets						
Investments	11	<u>10,796,942</u>	<u>-</u>	<u>116,721</u>	<u>10,913,663</u>	<u>8,955,629</u>
Current assets						
Debtors	12	-	-	3,666	3,666	2,195
Cash	13	<u>-</u>	<u>45,000</u>	<u>123,721</u>	<u>168,721</u>	<u>184,642</u>
		-	45,000	127,387	172,387	186,837
Creditors: Amounts falling due within one year	14	- 10,199	-	- 97,902	- 108,101	- 57,542
Net current (liabilities)/assets		<u>- 10,199</u>	<u>45,000</u>	<u>29,485</u>	<u>64,286</u>	<u>129,295</u>
Creditors: Amounts falling due after more than one year	15	<u>-</u>	<u>-</u>	<u>- 23,854</u>	<u>- 23,854</u>	<u>-</u>
Total net assets/(liabilities)		<u>10,786,743</u>	<u>45,000</u>	<u>122,352</u>	<u>10,954,095</u>	<u>9,084,925</u>
Total charity funds	16	<u>10,786,743</u>	<u>45,000</u>	<u>122,352</u>	<u>10,954,095</u>	<u>9,084,925</u>

Approved by the Trustees on 25 November 2021 and signed on their behalf by:



S Scott
Trustee

The notes on pages 14 to 24 form part of these financial statements.

THE FRIEDA SCOTT CHARITABLE TRUST

Notes to financial statements For the year ended 31 March 2021

1 Accounting policies

a) Basis of accounting

The Frieda Scott Charitable Trust is a Trust created by a Deed of Trust dated 15 September 1962. The nature of its activities is disclosed in the Trustees' report. The registered office is Stricklandgate House, 92 Stricklandgate, Kendal, Cumbria, LA9 4PU.

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included on a market value basis. The financial statements have been prepared in accordance with Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and updated in October 2019 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and updated in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

b) Preparation of financial statements on a going concern basis

The Trustees consider that there are no material uncertainties about the trust's ability to continue as a going concern. Trustees are mindful that the income from the fund may fluctuate in the next financial year. The level of distribution made remains at Trustee's discretion, as does the use of capital to meet agreed distribution levels. Based on these assessments and given the measures that could be undertaken to mitigate the adverse conditions, the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

c) Voluntary income

Investment income is accounted for in the period in which the Trust is entitled to receipt.

d) Resources expended

Expenditure is included on an accruals basis, and includes attributable VAT which cannot be recovered.

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

Grants payable are charged in the year when the offer is conveyed to the recipient except in cases where material offers are conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Material grants offered subject to conditions which have not been met at the year end are noted as a commitment but not accrued as expenditure.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled conditions under the control of the Trust that would permit the Trust to avoid making the future payment(s), settlement is probable and the effect of discounting is material.

The discount rate used is the average rate of deposit interest in the year in which the grant award is made.

THE FRIEDA SCOTT CHARITABLE TRUST

Notes to financial statements (continued)

1 Accounting policies

d) Resources expended (cont)

This discount rate is regarded by the Trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the Trust.

Costs of charitable activities include grants committed and an apportionment of governance and support costs as shown in notes 5 and 6.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by staff use, staff costs by the time spent and other costs by their usage.

Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice. These include costs related to audit and legal fees together with an apportionment of overhead and support costs.

e) Fixed asset investments

Investments are a form of basic financial instruments and are, with the exception of the small shareholding referred to in note 11, initially recognised at their transaction value and subsequently measured at fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

f) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

The endowment of the charity is expendable endowment. The Trust deed allows this fund to be spent as income or retained as capital at the Trustees' discretion. Income arising on the expendable endowment is unrestricted. Any capital gains or losses arising on the disposal of fund assets form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

2 Investment Income

	2021 £	2020 £
General unrestricted		
Stocks and shares	152,480	293,870
Interest receivable	222	1,051
	<u>152,702</u>	<u>294,921</u>

3 Cost of generating funds

	2021 £	2020 £
Expendable endowment		
Investment management fee	41,592	42,353
General unrestricted		
Investment management fee	432	540
	<u>42,024</u>	<u>42,893</u>

Total fees charged for the year (including in underlying funds) were £137,441 (2020: £146,054). The Total Expense Ratio for 2021 was 1.4% (2020: 1.4%).

THE FRIEDA SCOTT CHARITABLE TRUST

Notes to financial statements (continued)

4 Grants committed	2021	2020
The value of grants committed in the year, including cancelled grants, comprises:	£	£
Cancelled grant: 0 grants (2020: 1)	-	3,500
Children & young people: 6 grants (2020: 7)	31,948	35,500
Family support: 1 grant (2020: 1)	5,000	5,000
Community support: 11 grants (2020: 15)	113,500	123,264
Disabilities: 0 grant (2020: 2)	-	11,000
Village halls: 5 grants (2020: 6)	14,500	19,500
Prevention & rehabilitation: 1 grant (2020: 0)	19,500	-
Mental health: 3 grants (2020: 4)	45,254	28,500
Abuse survivors: 2 grants (2020: 1)	35,000	11,673
Other: 0 grant (2020: 2)	-	8,200
Total: 29 grants (2020: 38)	264,702	246,137
Returned/withdrawn: 1 grant (2020: 1)	- 3,500	- 3,500
<i>Details of the recipients are shown in note 19.</i>	261,202	242,637
Support costs (note 5)	37,943	30,648
Governance costs (note 5)	8,260	7,210
	46,203	37,858
	307,405	280,495

	2021	2020
	£	£
Reconciliation of grants payable:		
Commitments at beginning of year	42,746	60,472
Commitments made in the year	264,702	246,137
Grants cancelled in the year	- 3,500	- 3,500
Grants committed in the year	261,202	242,637
Grants paid during the year	- 218,274	- 260,363
Grants repaid during the year	-	-
Net Commitments at 31 March	85,673	42,746
Commitments at 31 March are payable as follows:		
Within one year (note 14)	61,819	42,746
After more than one year (note 15)	23,854	-
	85,673	42,746

THE FRIEDA SCOTT CHARITABLE TRUST

Notes to financial statements (continued)

5 Allocation of support costs and governance costs

The breakdown of support costs and how these were allocated between Governance and Charitable Activities is shown in the table below:

Cost Type	Total Allocated £	Support Costs £	Governance £	Basis of Apportionment
Staff costs	26,504	23,854	2,650	Staff time
Office rental and costs	6,225	5,602	622	Staff time
Professional fees	8,905	8,015	891	Usage
Sundry expenses	525	473	53	Usage
	<u>42,159</u>	<u>37,943</u>	<u>4,216</u>	

Governance costs

	2021 £	2020 £
Support allocated		
Staff costs	2,650	3,643
Office rental and costs	622	781
Professional fees	891	-
Sundry	53	-
Governance		
Auditors' remuneration	3,420	2,220
Travel expenses	-	313
Trustees' meetings	-	253
Staff training	624	-
	<u>8,260</u>	<u>7,210</u>

6 Comparatives for allocation of support costs and governance costs

The breakdown of support costs and how these were allocated between Governance and Charitable Activities is shown in the table below:

Cost Type	Total Allocated £	Support Costs £	Governance £	Basis of Apportionment
Staff costs	26,850	23,207	3,643	Staff time
Office rental and costs	7,806	7,025	781	Staff time
Trustee training	380	380	-	Usage
Sundry expenses	36	36	-	Usage
	<u>35,072</u>	<u>30,648</u>	<u>4,424</u>	

7 Net income/(expenditure) and net movement in funds before gains/(losses) on investments

Net income/(expenditure) and net movement in funds before gains/(losses) on investments is stated after charging:

	2021 £	2020 £
Auditors' remuneration	<u>3,420</u>	<u>2,220</u>

8 Staff costs

The charity does not directly employ any staff. Instead it uses the part-time services of 3 employees of another charity operating from the same address. The costs re-charged by the other charity are:

	2021 £	2020 £
Salaries	23,337	23,570
Social security costs	1,057	976
Pension costs	<u>2,110</u>	<u>2,304</u>
	<u>26,504</u>	<u>26,850</u>

THE FRIEDA SCOTT CHARITABLE TRUST

Notes to financial statements (continued)

9 Trustees' remuneration

No Trustee (2020: 1) received expenses in the year (2020: £313). Trustees neither received nor waived any emoluments during the year (2020: £nil).

10 Comparatives for Statement of Financial Activities and Balance Sheet figures

Statement of Financial Activities

	Expendable endowment	Restricted Fund	General unrestricted	Total 2020
	£	£	£	£
Income				
Investment income	-	-	294,921	294,921
Total income	-	-	294,921	294,921
Expenditure				
<i>Costs of raising funds</i>				
Investment management costs	- 42,353	-	540	- 42,893
<i>Expenditure on charitable activities</i>				
Grant making				
Grants committed	-	-	242,637	- 242,637
Grant related support/governance costs	-	-	37,858	- 37,858
Total expenditure	-	-	280,495	- 280,495
Net expenditure before losses on investments	- 42,353	-	13,886	- 28,467
 Net losses on investments	- 974,290	-	12,433	- 986,723
Net movement in funds	- 1,016,643	-	1,453	- 1,015,190
<i>Reconciliation of funds</i>				
Total funds brought forward	9,845,328	-	254,786	10,100,114
Total funds carried forward	8,828,685	-	256,239	9,084,925

THE FRIEDA SCOTT CHARITABLE TRUST

Notes to financial statements (continued)

10 Comparatives for Statement of Financial Activities and Balance Sheet figures (continued)

Balance Sheet

	Expendable endowment	Restricted Fund	General unrestricted	Total 2020
	£	£	£	£
Fixed assets				
Investments	8,839,094	-	116,535	8,955,629
Current assets				
Debtors	-	-	2,195	2,195
Cash	-	-	184,642	184,642
	-	-	186,837	186,837
Creditors: Amounts falling due within one year	- 10,409	-	- 47,133	- 57,542
Net current (liabilities)/assets	- 10,409	-	139,704	129,295
Creditors: Amounts falling due after more than one year	-	-	-	-
Total net assets/(liabilities)	<u>8,828,685</u>	<u>-</u>	<u>256,239</u>	<u>9,084,924</u>
Total charity funds	<u>8,828,685</u>	<u>-</u>	<u>256,239</u>	<u>9,084,924</u>

11 Investments

	2021 £	2020 £
Market value at beginning of year	8,899,253	9,999,729
Acquisitions at cost	3,309,083	2,410,157
Disposal proceeds	- 3,481,695	- 2,523,910
Net profit/(loss) on revaluation	2,020,897	- 986,723
Market value at end of year	10,747,538	8,899,253
Uninvested cash and settlements pending	166,126	56,376
	<u>10,913,663</u>	<u>8,955,629</u>
	2021 £	2020 £
Expendable Endowment	10,796,942	8,838,798
Income Invested Fund	116,721	116,831
	<u>10,913,663</u>	<u>8,955,629</u>

As agreed by Trustees, the investment portfolios were combined as at 31 March 2020 and the separate valuations are now accounted for on a percentage basis - Endowment 98.97%; Income Invested Fund 1.03%. (2020: Endowment 98.74%, Income Invested Fund: 1.26%).

	2021 £	2020 £
UK equities	1,432,611	2,292,820
International equities	5,786,015	3,480,177
Multi asset funds	1,044,747	1,105,438
Bonds	892,822	728,124
Property	723,572	904,860
Other alternatives	504,533	258,696
Cash instruments	363,238	129,138
	<u>10,747,538</u>	<u>8,899,253</u>
Historical cost at end of year	<u>8,965,858</u>	<u>8,668,197</u>

THE FRIEDA SCOTT CHARITABLE TRUST

Notes to financial statements (continued)

11 Investments (continued)

	2021 £	2020 £
Material investments are:		
Trojan Investment Funds - Trojan Fund	1,044,747	1,105,438
Trojan Income Fund	-	1,020,438
Findlay Park American Fund	960,274	1,007,173
M&G Global Dividend Fund	635,820	522,230
Property Income Trust for Charities	-	506,664

The Trustees consider individual investment holdings in excess of 5% of the portfolio value to be material.

The Trust's investments include a small holding of equities £10,615 (2020: £9,517) in Applerigg Limited which is valued by reference to a value advised by the company.

All other investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the Annual Report.

12 Debtors

	2021 £	2020 £
General unrestricted		
Accrued income	3,666	2,195

13 Cash

	2021 £	2020 £
General unrestricted		
Barclays	-	61,128
COIF	123,675	123,511
Fund manager	46	3
Restricted fund		
COIF	45,000	-
	168,721	184,642

14 Creditors: Amounts falling due within one year

	2021 £	2020 £
Expendable endowment		
Accruals	10,199	10,409
General unrestricted		
Grants payable (note 4)	61,819	42,746
Barclays	32,519	-
Accruals	2,358	2,353
Other creditors	1,206	2,034
	97,902	47,133
	108,101	57,542

15 Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Grants payable (note 4)	23,854	-

THE FRIEDA SCOTT CHARITABLE TRUST

Notes to financial statements (continued)

16 Analysis of fund movements

	Balance at 31st March 2020 £	Incoming resources £	Resources expended £	Transfers £	Gain on Investments £	Balance at 31st March 2021 £
Expendable endowment						
Held as investments	8,828,685	-	41,592	-	1,999,649	10,786,743
Restricted fund	-	45,000	-	-	-	45,000
General unrestricted fund						
Designated funds						
Income invested fund	116,678	-	432	21,255	21,248	116,239
Contingency reserve	76,119	-	-	4,487	-	80,606
	192,797	-	432	16,768	21,248	196,844
Free reserves						
Income reserves	63,442	152,702	307,405	16,768	-	74,492
	256,239	152,702	307,837	-	21,248	122,352
	9,084,925	197,702	349,429	-	2,020,897	10,954,095
	Balance at 31st March 2019 £	Incoming resources £	Resources expended £	Transfers £	Loss on Investments £	Balance at 31st March 2020 £
Expendable endowment						
Held as investments	9,845,328	-	42,353	-	974,290	8,828,685
General unrestricted fund						
Designated funds						
Income invested fund	145,487	-	540	15,836	12,433	116,678
Contingency reserve	76,119	-	-	-	-	76,119
	221,606	-	540	15,836	12,433	192,797
Free reserves						
Income reserves	33,180	294,921	280,495	15,836	-	63,442
	254,786	294,921	281,035	-	12,433	256,239
	10,100,114	294,291	323,388	-	986,723	9,084,925

In order to sustain levels of giving over the longer term, FSCT Trustees can decide to spend up to 3.25% of the total value of the portfolio (calculated on a trailing 13 quarter average) on grant-making and operations in any one year. Trustees have the discretion to then invest any income received beyond this requirement. In May 2020, due to the impact of the pandemic on financial markets, Trustees reduced distributions in the year to 2.25%. In line with this policy, a transfer of £72,798 (2021: £21,255) was made after the year end from the Income Invested Fund to support expenditure up to the 2.25% guideline.

In 2018 Trustees withdrew £105,869 from the Income Invested Fund in the year to establish a Contingency Reserve with the intention of providing flexibility for the Board in awarding significant grants or to supplement regular giving. At year end this Contingency Reserve was £80,606, following a net transfer in of £4,487. After year end £26,155 was transferred from Contingency Reserve to cover excess expenditure versus income guideline during the 2021 financial year.

17 Restricted fund

	31 March 2021 £	31 March 2020 £
Goodacre Benevolent Fund - donation made on closure of fund for distribution in Kendal.	45,000	-
	45,000	-

THE FRIEDA SCOTT CHARITABLE TRUST

Notes to financial statements (continued)

18 Grants	Commitments made in year ended 31 March 2021 £	Commitments made in year ended 31 March 2020 £
Abuse Survivors		
Springfield	15,000	-
The Birchall Trust	20,000	11,673
All recipients	35,000	11,673
Number (excluding refunds and cancellations)	2	1
Children & Young People		
Cumbria Youth Alliance	-	2,000
Feature Youth Club	-	3,000
Friends of Artspace	-	500
Kendal Lads and Girls Club	1,158	-
Kent Estuary Youth Project	-	13,000
Keppleway Trust	7,500	-
Kirkby Lonsdale Play Partnership	3,500	-
Natland & Oxenholme Pre-School	2,522	-
South Cumbria Musical Festival	-	3,500
St. Mary's Hospice, Ulverston	16,768	-
The Bee Team, Heron Hill School	-	10,000
Windermere Park for All	-	3,500
Xenolith Explorer Scout Unit	500	-
All recipients	31,948	35,500
Number (excluding refunds and cancellations)	6	7
Family Support		
South Cumbria Breastfeeding Support	5,000	-
The Bluebell Foundation	-	5,000
All recipients	5,000	5,000
Number (excluding refunds and cancellations)	1	1

THE FRIEDA SCOTT CHARITABLE TRUST

Notes to financial statements (continued)

18 Grants (continued)

	Commitments made in year ended 31 March 2021 £	Commitments made in year ended 31 March 2020 £
Community Support		
Action with Communities in Cumbria	5,000	-
Age UK South Lakeland	20,000	-
Appleby Emergency Response Group	-	1,500
Bay Search & Rescue	-	20,000
Bendrigg Trust	15,000	-
Blackwell Sailing	37,500	-
Carer Support South Lakes	11,000	13,000
Child Bereavement UK	-	5,000
Crake Valley Croquet Club	-	3,499
Cumbria Community Foundation	-	20,000
Duddon and Furness Mountain Rescue Team	10,000	-
Friends of Artspace	1,000	-
Friends of X112	3,500	-
Gateway Church	3,500	-
Kendal Dementia Action Alliance	-	5,000
Kendal People's Café & Food Hub	-	10,000
Levens Good Neighbours	-	720
Manna House, Kendal	-	35,000
Patterdale King George v Playing Field Foundation	3,500	3,500
Queen's Park Bowling Club	-	500
Rookhow Quaker Meeting House & Bunkbarn	-	1,510
Shap Community Action Group	3,500	-
St George's Church PCC - Kendal	-	2,035
With Singing in Mind	-	2,000
All recipients	113,500	123,264
Number (excluding refunds and cancellations)	11	15
Village Halls		
Burton Memorial Hall	-	2,000
Firbank Church Hall	3,500	-
Glenridding Public Hall Charity	-	3,500
Kirby Community Centre	-	3,500
Kirby Stephen Methodist Church	-	3,500
Long Marton Village Institute	-	3,500
Newbiggin on Lune Public Hall	3,500	-
New Hutton Institute	-	3,500
Stainton Institute	3,500	-
Temple Sowerby Victory Hall	2,000	-
Victoria Hall Support Group	2,000	-
All recipients	14,500	19,500
Number (excluding refunds and cancellations)	5	6

THE FRIEDA SCOTT CHARITABLE TRUST

Notes to financial statements (continued)

18 Grants (continued)	Commitments made in year ended 31 March 2021 £	Commitments made in year ended 31 March 2020 £
Prevention & Rehabilitation		
The Well Communities CIC	19,500	-
All recipients	<u>19,500</u>	<u>-</u>
Number (excluding refunds and cancellations)	<u>1</u>	<u>-</u>
Mental Health		
Be Me Project North	-	5,000
Growing Well	40,754	15,000
Diabetes UK	1,000	-
The Samaritans - Lancaster & District	3,500	3,500
Ulverston Mind	-	5,000
All recipients	<u>45,254</u>	<u>28,500</u>
Number (excluding refunds and cancellations)	<u>3</u>	<u>4</u>
Disabilities		
Friends of Sandside Lodge - Ulverston	-	5,000
Ragtag Arts CIC	-	6,000
All recipients	<u>-</u>	<u>11,000</u>
Number (excluding refunds and cancellations)	<u>-</u>	<u>2</u>
Other		
Learning Plus	-	3,000
Liverpool Charity and Voluntary Services	-	5,200
South Cumbria Music Festival	3,500	-
All recipients	<u>- 3,500</u>	<u>8,200</u>
Number (including refunds and cancellations)	<u>1</u>	<u>2</u>
Total All Grants	<u>261,202</u>	<u>242,637</u>
Total numbers (including refunds & cancellations)	<u>30</u>	<u>38</u>