

# **THE GRIMMITT TRUST**

## **Annual Report**

Year Ended: 5<sup>th</sup> April 2021

Charity Number: 801975

# **The Grimmitt Trust**

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## **TRUSTEES ANNUAL REPORT**

The Trustees present their annual report and financial statements of the charity for the year ended 5<sup>th</sup> April 2021. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with FRS 102: Financial Reporting Standard applicable in the UK and Republic of Ireland (September 2015) and the Charities Act 2011.

### **Objectives and Activities for the Public Benefit**

The objective of the Trust is the encouraging and strengthening of local communities, together with an awareness of national and international responsibilities particularly those within the active interests and geographical areas of the Trustees, and of the Kite Connexion group employees. The geographical areas are determined by the Board of Trustees and reviewed periodically. Currently the areas covered are Birmingham, Dudley, Wolverhampton and Walsall postcode areas. The Trust does not normally support national charities, CICs or social enterprises.

The Trust's activities are grant making and this is achieved by generating investment income from both quoted and unquoted endowment investments. The Trustees aim to distribute the income received net of governance and support costs in each reporting period, and success is measured on this basis.

The aims of the Trust are to continue grant making activities and to grow the income generated from investments to maintain the future monetary value of grants paid in real terms.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives in setting the grant making policy for the year.

### **Grant Making Policy**

The Trust has established a grant making policy to achieve its objectives for the public benefit. The beneficiaries are charities, organisations and individuals who seek funding for projects or activities in the following areas: Community, Children & Youth, Culture & Education, Medical, Elderly and Overseas.

The Trust welcomes initial contact from any organisation or individuals interested in making applications. The Secretary will advise on the best way to make a grant request and to ensure the necessary information is included.

Applications from organisations must demonstrate that the uses to which any grants received are for the benefit of projects and activities in the areas outlined above. Where they are not the ultimate beneficiaries, organisations applying must also confirm that they adhere to the current guidance on public benefit.

### **Achievements and Performance**

The Trust processed 232 applications during the year (2020: 318) and made 171 grant awards (2020: 239) totalling £275,250, a decrease of 9.9% from 2020 (£305,340,). See note 6 for analysis of the grants awarded.

The Trustees have maintained grants in line with net income for 2021 and aim to do so for the foreseeable future. The Trust supports a variety of different charities where the core activities and geographical focus meet the objectives of the Trust. Details of grants above £2,000 are set out in note 7. The Trustees consider this to provide a good representation of the organisations supported during the reporting period.

The COVID-19 pandemic has significantly impacted the activities of many of the charities the Trust supports. Lockdowns and restrictions meant community centres and hubs had to close and it became harder for organisations to deliver services. Unfortunately, this led to a significant reduction in number of applications in the year (27%). What has been impressive is how charities have adapted to continue to offer their services, where appropriate shifting face to face support to virtual support. The Trustees consider it an achievement to have been able to support 171 charities in this difficult year with grants totalling £275,250.



# **The Grimmitt Trust**

## **Financial Review**

The Trust's total incoming resources are maintained from the previous year at £303,643 (2020: £303,964). Due to COVID-19, no dividend was received from the unquoted investment in Kite Connexion Holdings Ltd in 2021 (2020: £0). The quoted investments achieved an average income yield of 3.3% (2020: 3.6%) and the value of the quoted investments increased by 22% over the reporting period to £11,552,705 (2020: £9,465,088). The Trust also holds accumulation units within the quoted investment where income is reinvested in the fund rather than paid out. Based on the valuation and yield at the reporting period end, additional income of approximately £45,540 (2020: £42,940) could be received by converting these units to income paying units.

Administration and governance costs increased by 9.4% to £34,335 (2020: £31,388) during the financial year. This was due to an increase in support costs due to additional work on applications due to COVID-19 and higher governance costs due to an increase in audit fee. Overall, there were net outgoing resources of £5,942 (2020: £32,764 outgoing), which, with the increase in value of investments of £2,122,616, resulted in an overall increase in funds of £2,116,674. See note 8 for investments breakdown.

### **Investment policy**

The Trust's overall investment policy is to protect the real value of capital over the long term and to generate income sufficient to be able to maintain a broadly consistent level of grant giving. Day to day investment responsibility is delegated to CCLA Investment Management Ltd using pooled investment vehicles, which aim to maximise total returns and protect the long-term value of the investment in real terms. CCLA operate a clearly defined ethical policy, details of which can be obtained from their website.

### **Reserves policy**

The Endowment fund represents capital funds established by the founder with the gift of 50% of the issued ordinary share capital of Welconstruct Group Limited, which was sold in 2006. As a result of a demerger of part of that company, it also received a 50% holding in Kite Connexion Holdings Limited, the non-trading holding company of Kite Connexion Limited and its subsidiary. The value of the Endowment fund is £11,696,754 (2020: £9,574,138). The income arising from the resulting investments is transferred to unrestricted funds.

The Trustees annually review the level of reserves retained in unrestricted funds, which are retained to the extent considered necessary to ensure that adequate funds are available to cover future unforeseen eventualities. The value of unrestricted funds is £498,135 (2020: £504,077).

## **Risk Management**

The Trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established appropriate systems and procedures to manage those risks.

The Trustees consider the variability of investment returns on the endowment to constitute the charity's major financial risk. The Trustees have appointed professional investment managers and adopt a well-diversified portfolio to mitigate this risk. The Trustees have also established the Finance and Investment Sub Committee (FISC) comprising Trustees and others with relevant expertise to oversee investment performance and advise the Trustees.

### **Coronavirus (COVID-19)**

The Trustees have considered the risks created by the COVID-19 pandemic and have identified uncertainty of investment returns and dividend income as the main risks to the Trust. The quoted investment is an actively managed multi-asset fund and is diversified by asset type, geography and by sector. The risk to income is mitigated by the Trust's quoted investments being managed on a total return basis providing the Investment Managers flexibility to maintain income. Only a small amount of the Trust's grants awarded are multi-year grants, therefore the Trust has the flexibility to maintain grants in line with income received.



## **The Grimmitt Trust**

Trustee and committee meetings will continue and the use of technology as a means of holding meetings will be utilised in the short term to protect the health of Trustees and officers.

### **Plans for the Future**

The Trustees plan to continue the grant giving activities and maintain the current objectives and grant making policy.

### **Structure, Governance and Management**

The Trust is a charitable trust established under a trust deed originally dated 24 January 1986 and amended by deed of variation dated 28 June 2007. The Trust was established to perpetuate the Founder's family and company's traditions of tithing. The initial endowment comprised 50% of the share capital of the Welconstruct Company Limited, which was sold in 2006. The Trust does not actively fundraise and seeks to continue the charitable work desired by the Founder through the careful stewardship of its existing resources.

The existing Trustees appoint new Trustees for an initial period of five years after which they may put themselves forward for re-appointment. The Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 13 to the accounts. Trustees are required to disclose all relevant interests and register them with the Secretary.

At the Trustee meetings held three times a year, the Trustees agree the broad strategy and areas of activity for the Trust, including consideration of grant making, investment, reserves, risk management policies and performance. The Trust has established the following sub committees:

Grants Sub Committee (GSC). This committee meets three times a year prior to the main Trustee meetings to consider grant applications that have been researched by the Secretary and to make recommendations for funding. The GSC are authorised to agree grants up to the value of £1,000 without Board of Trustee approval prior to payment. A full list of these grants is reported to the Board of Trustees Meeting. Grants above £1,000 require authorisation by the Board of Trustees.

Finance and Investment Sub Committee (FISC). This committee oversees the financial stability of the Trust, including management of the endowment investments, reviewing the level of reserves, scrutiny of its operating funds, revenues and expenses.

The Board keeps the skill requirements of the Trustees under review and provides induction procedures relevant to the new Trustees' individual knowledge and understanding. Trustee training is made available to all Trustees. The Trustees are responsible for overall governance and review the Policies and Practices of the Trust annually.

# **The Grimmitt Trust**

## **Reference and Administrative Information**

### **Charity Registration Number**

801975

### **Principal Office**

151b All Saints Road  
Kings Heath  
Birmingham  
B14 6AT  
Email: [admin@grimmitt-trust.org.uk](mailto:admin@grimmitt-trust.org.uk)

Enquiries should be made to the Secretary at the principal office or via email.

### **Founder**

P W Welch

### **Trustees**

S L Day  
J M Dickins  
T L Jones  
A D Owen OBE  
E Pardoe  
P G P Smith  
T N P Welch - Chairman  
S J Wilkey

### **Secretary**

V Welch

### **Treasurer**

M P Wilson

### **Auditor**

Mazars LLP  
Two Chamberlain Square  
Birmingham  
B3 3AX

### **Bankers**

CAF Bank Limited  
25 Kings Hill Avenue  
Kings Hill, West Malling  
Kent  
ME19 4TA

### **Solicitors**

Shakespeare Martineau  
No 1 Colmore Square  
Birmingham  
B4 6AA

### **Investment Managers**

CCLA Investment Management Ltd  
Senator House, 85 Queen Victoria Street  
London  
EC4V 4ET

## The Grimmitt Trust

### Responsibilities of the Trustees

Charity law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the disposition of the fund at the end of the financial year and of the financial transactions for the year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- 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 basis that the Trust will continue in operation unless it is inappropriate to presume this

The Trustees are responsible for keeping proper accounting records to enable them to ensure that the financial statements comply with the Statement of Recommended Practice and the Charities Act. They are also responsible for safeguarding the assets of the Trust, ensuring their proper application under charity law, and hence for taking steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Trustees on 6.7.21

T.N.P. Welch .

T N P Welch  
Chairman



# **The Grimmitt Trust**

## **Independent auditor's report to the Trustees of The Grimmitt Trust**

### **Opinion**

We have audited the financial statements of The Grimmitt Trust (the 'charity') for the year ended 5th April 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 5th April 2021 and of 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'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**

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

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

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

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 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.

## **The Grimmitt Trust**

### **Matters on which we are required to report by exception**

In light of the 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 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 page 5, 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'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 the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 the 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. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to fraud and money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Charities Act 2011.

We evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias through judgements and assumptions in significant accounting estimates, in particular in



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relation to investment valuation, the risk of fraud in revenue recognition in relation to cut off, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

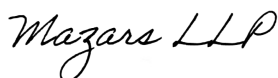
There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of the 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.

Signed:



Mazars LLP Chartered Accountants and Statutory Auditor  
First Floor  
Two Chamberlain Square  
Birmingham  
B3 3AX

Date: 8th July 2021

Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.



**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**

FOR THE YEAR ENDED 5<sup>TH</sup> APRIL 2021

	Note	Unrestricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
					(Note 2)
Income					
Investment income	4	-	303,643	<b>303,643</b>	<b>303,964</b>
Transfer between funds		303,643	(303,643)	-	-
<b>Total income</b>		<b>303,643</b>	<b>-</b>	<b>303,643</b>	<b>303,964</b>
Expenditure on charitable activities					
Children and Youth		60,475	-	<b>60,475</b>	55,816
Community		133,561	-	<b>133,561</b>	144,880
Cultural and Education		49,328	-	<b>49,328</b>	63,754
Elderly		11,906	-	<b>11,906</b>	24,270
Medical and Health		23,512	-	<b>23,512</b>	25,614
Overseas		30,803	-	<b>30,803</b>	22,394
<b>Total expenditure</b>	6	<b>309,585</b>	<b>-</b>	<b>309,585</b>	<b>336,728</b>
<b>Net income/(expenditure) before gains and losses on investments</b>		<b>(5,942)</b>	<b>-</b>	<b>(5,942)</b>	<b>(32,764)</b>
Net (loss)/gain on investments	8	-	2,122,616	<b>2,122,616</b>	<b>(397,761)</b>
<b>Net income/(expenditure) and net movement in funds</b>		<b>(5,942)</b>	<b>2,122,616</b>	<b>2,116,674</b>	<b>(430,525)</b>
Reconciliation of funds					
Total funds brought forward		504,077	9,574,138	<b>10,078,215</b>	<b>10,508,740</b>
<b>Total funds carried forward</b>		<b>498,135</b>	<b>11,696,754</b>	<b>12,194,889</b>	<b>10,078,215</b>

The Statement of Financial Activities includes all gains and losses in the year. All activities relate to continuing operations.

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## BALANCE SHEET

AS AT 5<sup>TH</sup> APRIL 2021

	Note	Unrestricted Funds £	Endowment £	Total Funds 2021 £	Prior year 2020 £
<b>Fixed Assets</b>					
Investments	8	385,950	11,696,754	12,082,704	9,960,088
<b>Current Assets</b>					
Debtors	9	76,577	-	76,577	76,342
Cash at bank and in hand		44,214	-	44,214	50,914
<b>Total Current Assets</b>		120,791	-	120,791	127,256
<b>Liabilities</b>					
Creditors falling due within one year	10	(8,606)	-	(8,606)	(9,129)
<b>Net Current Assets</b>		112,185	-	112,185	118,127
<b>Net Assets</b>		498,135	11,696,754	12,194,889	10,078,215
<b>Funds</b>	11				
Expendable endowment			11,696,754	11,696,754	9,574,138
Unrestricted income funds		498,135	-	498,135	504,077
<b>Total Charity Funds</b>		498,135	11,696,754	12,194,889	10,078,215

Approved by the Trustees on  
and signed on their behalf

6.7.21.

T.N.P. Welch.

T N P Welch -Trustee

P.G.P. Smith.

P G P Smith -Trustee

M.P. Wilson.

M P Wilson -Treasurer

**STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED 5<sup>TH</sup> APRIL 2021

	Note	Total funds 2021 £	Prior year 2020 £
<b>Cash flows from operating activities:</b>			
<b>Net cash used in operating activities</b>	12	<b>(310,343)</b>	<b>(334,230)</b>
<b>Cash flows from investing activities:</b>			
Interest and dividends	4	303,643	303,964
Proceeds from sale of investments	8	-	516,203
Purchase of Investments	8	-	(516,203)
<b>Net cash provided by investing activities</b>		<b>303,643</b>	<b>303,964</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(6,700)</b>	<b>(30,266)</b>
Cash and cash equivalent bought forward		50,914	81,180
<b>Cash and cash equivalents carried forward</b>		<b>44,214</b>	<b>50,914</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 5<sup>TH</sup> APRIL 2021

**1 ACCOUNTING POLICIES**

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and reporting by charities preparing their accounts in accordance with FRS 102: Financial Reporting Standard applicable in the UK and Republic of Ireland (September 2015) and the Charities Act 2011.

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

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. With respect to the next reporting period, 2021-22, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the Trustees' annual report for more information).

(b) Funds structure

The endowment fund, which is expendable, comprises the shares in Kite Connexion Holdings Limited, which were initially gifted to the Trust, together with the proceeds of sale of the shares in Welconstruct Group Limited, also gifted to the Trust but which were subsequently sold. Income arising from the endowment investments is transferred to unrestricted funds unless applied for reinvestment purposes. The endowment fund is not restricted.

The Unrestricted funds comprise those funds that the Trustees are free to use for any purpose in furtherance of the charitable objectives.

Further details of each fund are disclosed in note 11.

(c) Income recognition

All income is recognised once the trust has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor.

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### (d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the trust to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to (g) below.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the trust. Grants are recognised when authorised by the Trustees and paid. Multi-year grants (pledges) are subject to the recipient fulfilling conditions for future payments. Future pledged payments are recognised in the period that the future payment is authorised by the Trustees following receipt of a satisfactory progress report.

### (e) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

### (f) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include those related to statutory audit and any legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the number of individual grant awards made in recognition that the administrative costs of awarding, monitoring and assessing grants are broadly equivalent. The allocation of support and governance costs is analysed in note 6.

### (g) Charitable activities

Costs of charitable activities include grants made, governance costs and an apportionment of support costs as shown in note 6.

### (h) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price (mid-price) from the Investment Managers nearest valuation following the year end. The Investment Managers prepare weekly investment valuations and a calendar month end valuation. 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. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

### (i) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

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(j) Basis of consolidation

The Trustees do not consider the Trust's 50% investment in Kite Connexion Holdings Limited to constitute that of an associated undertaking or subsidiary, as they do not exert significant influence or control over the company.

(k) Critical management judgements and estimates

When preparing the financial statements, the Trustees and management make a number of judgements, estimates and assumptions on the way in which assets, liabilities, income and expenditure is recognised and measured. These include the valuation of unquoted investments in Kite Connexion Holdings Limited which are recognised at a valuation based on the estimated share of net assets.



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## 2 PREVIOUS YEAR DETAILED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £
Income			
Investment income	-	303,964	303,964
Transfer between funds	303,964	(303,964)	-
<b>Total income</b>	<b>303,964</b>	<b>-</b>	<b>303,964</b>
Expenditure on charitable activities			
Children and Youth	55,816	-	55,816
Community	144,880	-	144,880
Cultural and Education	63,754	-	63,754
Elderly	24,270	-	24,270
Medical and Health	25,614	-	25,614
Overseas	22,394	-	22,394
<b>Total expenditure</b>	<b>336,728</b>	<b>-</b>	<b>336,728</b>
<b>Net income/(expenditure) and net movement in funds before gains and losses on investments</b>	<b>(32,764)</b>	<b>-</b>	<b>(32,764)</b>
Net gains on investments	-	(397,761)	(397,761)
<b>Net movement in funds</b>	<b>(32,764)</b>	<b>(397,761)</b>	<b>(430,525)</b>
Reconciliation of funds			
Total funds brought forward	536,841	9,971,899	10,508,740
<b>Total funds carried forward</b>	<b>504,077</b>	<b>9,574,138</b>	<b>10,078,215</b>

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## 3 PREVIOUS YEAR DETAILED BALANCE SHEET

	Unrestricted Funds £	Endowment £	Total Funds 2020 £
<b>Fixed Assets</b>			
Investments	462,292	9,497,796	9,960,088
<b>Current Assets</b>			
Debtors	-	76,342	76,342
Investments	50,914	-	50,914
Cash at bank and in hand			
	50,914	76,342	127,256
<b>Total Current Assets</b>			
<b>Liabilities</b>			
Creditors falling due within one year	(9,129)	-	(9,129)
<b>Net Current Assets</b>	41,785	76,342	118,127
<b>Net Assets</b>	504,077	9,574,138	10,078,215
<b>Funds</b>			
Expendable endowment	-	9,574,138	9,574,138
Unrestricted income funds	504,077	-	504,077
<b>Total Charity Funds</b>	504,077	9,574,138	10,078,215

## 4 INVESTMENT INCOME

	2021 £	2020 £
Accrued income at 5 <sup>th</sup> April 2020	(76,342)	(76,556)
Income received in reporting period	303,408	304,178
Accrued income at 5 <sup>th</sup> April 2021	76,577	76,342
<b>Income recognised in the Statement of Financial Activities</b>	<b>303,643</b>	<b>303,964</b>
<b>Interest on cash deposits received</b>	-	-
<b>Other income received</b>	-	-
<b>Total Income</b>	<b>303,643</b>	<b>303,964</b>

# The Grimmitt Trust

## 5 GOVERNANCE AND SUPPORT COSTS

	2021 £	2020 £
<b>Governance Costs</b>		
Audit fee and related costs	7,200	6,000
Trustee meetings	169	262
Trustee expenses	-	38
<b>Total</b>	<b>7,369</b>	<b>6,300</b>

None of the Trustees received any remuneration in their capacity as Trustee. Trustees' expenses are disclosed above, no expenses were paid to Trustees in 2021 (2020: 2).

	2021 £	2020 £
<b>Support Costs</b>		
Secretarial fee	20,075	17,532
Treasurer fee	5,570	5,460
Other support costs	1,321	2,096
<b>Total</b>	<b>26,966</b>	<b>25,088</b>

Other support costs comprise general day-to-day expenses incurred in the operation of the trust and grant giving activities.

	2021 £	2020 £
<b>Total Costs</b>		
Governance costs	7,369	6,300
Support costs	26,966	25,088
<b>Total Costs</b>	<b>34,335</b>	<b>31,388</b>

## 6 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Grants awarded are analysed by the following activities. The activity to which a grant is allocated is determined by the Trustees' assessment of where the recipient's core activities most closely matches the activity selected.

	2021 Number of Grants Paid	2021 Total Grants £	2020 Number of Grants Paid	2020 Total Grants £
Children and Youth	32	54,050	42	50,300
Community	78	117,900	113	130,040
Culture and Education	35	42,300	48	57,450
Elderly	7	10,500	15	22,300
Medical	15	20,500	18	23,250
Overseas	4	30,000	3	22,000
<b>Total</b>	<b>171</b>	<b>275,250</b>	<b>239</b>	<b>305,340</b>

# The Grimmitt Trust

## Analysis of Expenditure on Charitable Activities

	Grant Funding of Activities £	Governance Costs £	Support Costs £	2021 Total £	2020 Total £
Children and Youth	54,050	1,379	5,046	60,475	55,816
Community	117,900	3,361	12,300	133,561	144,880
Culture and Education	42,300	1,508	5,520	49,328	63,754
Elderly	10,500	302	1,104	11,906	24,270
Medical	20,500	647	2,365	23,512	25,614
Overseas	30,000	172	631	30,803	22,394
<b>Total</b>	<b>275,250</b>	<b>7,369</b>	<b>26,966</b>	<b>309,585</b>	<b>336,728</b>

No costs incurred are directly attributable to a single activity. All costs are apportioned on the basis of number of grants awarded.

## 7 ANALYSIS OF GRANTS

Summary Grants Paid by Recipient Type	2021 £	2020 £
Institutional	274,950	304,540
Individual	300	800
<b>Total</b>	<b>275,250</b>	<b>305,340</b>

Recipients of Institutional Grants	2021 £	2020 £
Christian Aid	20,000	10,000
All We Can	10,000	10,000
Narhex Sparkhill	5,000	2,000
St Basils	5,000	-
Street Teams	5,000	-
Eve Brook Scholarship Fund	4,850	3,000
Anawim	4,000	-
Birmingham Settlement	4,000	3,000
St Annes Hostel	4,000	2,500
St Martin's Youth Centre	4,000	3,000
Sutton Coldfield YMCA	4,000	-
The Haven Wolverhampton	3,500	-
Acacia	3,000	-
Beyond the Horizon	3,000	-
Birmingham Centre for Art Therapies	3,000	3,000
Birmingham Methodist Circuit 5/1	3,000	3,000
Birmingham St Mary's Hospice	3,000	2,500
Brierley Hill Samaritans	3,000	-
Cruse Bereavement Care	3,000	-
Darlaston Boys Club	3,000	3,000
Home Start Birmingham North and Inner City	3,000	-
The Gap Sutton Coldfield	3,000	3,000
The University of Wolverhampton	3,000	2,500
Welcome Group Halesowen	3,000	2,500
CBSO	2,500	-
Homestart Birmingham Central and South West	2,500	-



## The Grimmitt Trust

	2021 £	2020 £
Lozells Methodist Church	2,500	2,500
NewStarts	2,500	-
RBSA	2,500	2,500
Severn Valley Railway Charitable Trust	2,500	2,500
Age Concern Birmingham	2,000	-
Bethel Health and Healing Network	2,000	-
Birmingham Churches Together Restore	2,000	-
Birmingham City Mission	2,000	2,000
BUDS	2,000	2,000
Change Birmingham Brief Therapy	2,000	-
Cotteridge Church Day Centre	2,000	-
Dads Lane Community Association	2,000	-
Disability Resource Centre	2,000	-
Ex Cathedra (Singing Medicine)	2,000	5,000
Father Hudson's Care	2,000	-
Foundation of Conductive Education	2,000	-
Halas Homes	2,000	-
Holy Ascension Church	2,000	-
Home Start Birmingham Consortium	2,000	-
John Taylor Hospice	2,000	2,000
Karis Neighbour Scheme	2,000	-
Martineau Gardens	2,000	2,000
PPPCC of St Marks Kingstanding Day Centre	2,000	-
Queen Salote College Former Students Association	2,000	2,000
Redditch Wheels Project	2,000	2,000
Royal Shakespeare Company	2,000	2,000
Sandwell Youth in Action	2,000	-
Spitfire Advice and Support Services Ltd	2,000	-
Sport4Life	2,000	2,000
St Gabriel's Centre	2,000	2,000
St Giles Hospice	2,000	-
St Paul's Community Development Trust	2,000	-
Sudden Productions	2,000	-
Sutton Coldfield United Reform Church	2,000	2,000
Warley Woods Community Trust	2,000	-
Way Ahead Support Services	2,000	2,000
West Midlands Quaker Peace Education Project	2,000	-
West Midlands Care Team	2,000	-
Woodgate Valley Urban Farm Ltd	2,000	-
Birmingham Women's and Children's Hospital Charity	-	5,000
Emmanuel House	-	5,000
Walsall Street Teams	-	5,000
Geese Theatre Company	-	3,500
Home from Hospital Care	-	3,500
InUnity	-	3,500
The Queen's Foundation	-	3,500
Blackheath Live at Home	-	3,000
Ryders Green Methodist Day Centre	-	3,000
The Giving Hands Mission	-	3,000
Enterprise Sailing Trust	-	2,500
The Black Country Living Museum	-	2,500
The Ironbridge Gorge Museum Trust	-	2,500
Age UK Dudley	-	2,000
Around Again Charity	-	2,000
Better Pathways	-	2,000
Birmingham PHAB Camps	-	2,000
Carrs Lane Counselling Centre	-	2,000
Edward's Trust	-	2,000
Entraide	-	2,000
Gilgal Birmingham	-	2,000
Hope Projects	-	2,000
Moseley Road Baths	-	2,000
St Martin's Centre for Health and Healing	-	2,000
The Boys Brigade West Midlands District	-	2,000
The Cotteridge Church	-	2,000
Thrive	-	2,000
Tipton Food Bank	-	2,000
WAITS	-	2,000

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Wellington Methodist Church and Centre	-	2,000
Grants of less than £2,000 not detailed	80,900	138,340
<b>Total Grants</b>	<b>275,250</b>	<b>305,340</b>

The Trustees consider grants of £2,000 and above as material for individual disclosure.

The Trust has authorised future grants, which are subject to the recipient fulfilling certain conditions. The Trust's policy is that these future grants are recognised in the year paid following receipt of an application for payment and a progress report demonstrating satisfactory performance to date. Payment of the grant is subject to authorisation by the Trustees. The total amount authorised but not provided for as expenditure at 5 April 2021 is £24,500 (2020: £45,000).

### 8 FIXED ASSET INVESTMENTS

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
Quoted investments:		
566,580.89 Units COIF Charities Investment Fund	7,312,330	7,312,330
Unquoted investments:		
25,000 Ordinary 1p shares in Kite Connexion Holdings Limited	250	250
<b>Total investments at cost</b>	<b>7,312,580</b>	<b>7,312,580</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Market Value</b>		
Quoted investments:		
COIF Charities Investment Fund Income Units	11,552,704	9,465,088
Unquoted investments:		
At valuation (See below)	530,000	495,000
<b>Total market value of investments</b>	<b>12,082,704</b>	<b>9,960,088</b>

The unquoted investment represents the Trust's 50% holding in Kite Connexion Holdings Limited and its trading subsidiaries Kite Connexion Limited and Static Safe Environments Limited. This has been included at Trustees valuation. The consolidated net assets in Kite Connexion Holdings Limited at 31 January 2021 amounted to £1,329,000 (31 January 2020: £1,236,556).

The Trustees do not consider the investment constitutes that of an associated undertaking, as they do not exert significant influence over this company.

## The Grimmitt Trust

### Reconciliation in movement of Market Value of Investments

Quoted Investments	2021 £	2020 £
Valuation b/fwd	9,465,088	9,918,849
Investments purchased	-	516,203
Investments sold	-	(516,203)
Realised loss on sale of investments	-	(17,788)
Revaluation	2,087,616	(435,973)
<b>Valuation at Year End</b>	<b>11,552,704</b>	<b>9,465,088</b>

Unquoted Investments		
Valuation b/fwd	495,000	439,000
Revaluation	35,000	56,000
<b>Valuation at Year End</b>	<b>530,000</b>	<b>495,000</b>

### 9 DEBTORS

	2021 £	2020 £
Accrued income from investments	76,577	76,342

Investment income declared on 31<sup>st</sup> March 2021, payable in May 2021.

### 10 CREDITORS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Accruals	8,606	9,129

### 11 ANALYSIS OF CHARITABLE FUNDS

Analysis of Fund Movements	Balance B/Fwd £	Income £	Expenditure £	Transfers £	Gains and Losses £	Balance C/Fwd £
Expendable endowment	9,574,138	303,643	-	(303,643)	2,122,616	11,696,754
Unrestricted funds	504,077	-	(309,585)	303,643	-	498,135
<b>Total</b>	<b>10,078,215</b>	<b>303,643</b>	<b>(309,585)</b>	<b>-</b>	<b>2,122,616</b>	<b>12,194,889</b>

- a) The Trustees have the power to spend the capital of the expendable endowment and there is no restriction placed on the funds or income generated.

## The Grimmitt Trust

- b) The unrestricted funds are available to be spent for any of the purposes of the charity.

### 12 RECONCILIATION OF NET MOVEMENTS IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net movement in funds	2,116,674	(430,525)
Investment dividends and interest received	(303,643)	(303,964)
Deduct (gains) / add back losses on investments	(2,122,616)	397,761
Decrease / (increase) in debtors	(235)	214
Increase / (decrease) in creditors	(523)	2,284
<b>Net cash used in operating activities</b>	<b>(310,343)</b>	<b>(334,230)</b>

### 13 RELATED PARTY TRANSACTIONS

The founding director of Welconstruct Group Limited formed the Trust and 50% of that company's share capital was gifted to the Trust as an endowment. Following a de-merger in 2004 the Trust acquired a 50% holding in Kite Connexion Holdings Limited, the non-trading holding company of Kite Connexion Limited and Static Safe Environments Limited. Two Trustees are directors of Kite Connexion Holdings Limited and its trading subsidiaries. Three Trustees are shareholders of Kite Connexion Holdings Ltd.

The Trust did not receive a dividend in the reporting period from Kite Connexion Holdings Limited (2020: £0).

In the reporting period no expenses payments were made to Trustees (2020: £38 to 2 Trustees). 2020 payments related to refunded travel expenses. There were no Trustee expenses not claimed in the financial year.

Certain Trustees of The Grimmitt Trust are also Trustees of other charities to which the Trust makes grants. Procedures are in place to ensure these Trustees are not unduly influential in the decision to award grants to these charities.