



Francis Scott Trust

Registered Charity No. 232131



Trustees' Annual Report & Financial Statements

For the year ended - 31st December 2022

Reference & Administrative Information

Trustees

Peter Redhead (Chair)
Sarah Dunning OBE
Christine Knipe
Joanna Plumptre
Alexander Scott
Madeleine Scott

Professor Kaz Stuart
Melanie Wotherspoon
Steve Curl (appointed November 11th)
Annalee Holliday (appointed November 11th)
Ian Johnson (appointed November 11th)
Lizzy Steinhart (appointed November 11th)

Director

Helen Carter

Finance Manager

Craig Pennington

Address

Stricklandgate House
92 Stricklandgate
Kendal
Cumbria LA9 4PU

Auditors

Dodd & Co Audit Limited
FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
Carlisle CA1 2RW

Bankers

Handelsbanken
Bridge Mills First Floor East
Stramongate
Kendal
Cumbria LA9 4BD

Barclays Bank plc
9 Highgate
Kendal
Cumbria LA9 4DF

Investment Advisers

Rothschild & Co. Wealth Management (UK) Ltd
New Court, St. Swithin's Lane,
London EC4N 8AL

The Charities Official Investment Fund (COIF)
One Angel Lane
London
EC4R 3AB

Sarasin & Partners LLP
Juxon House, 100 St Paul's Churchyard,
London EC4M 8BU

Solicitors

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

Russell-Cooke LLP
2 Putney Hill, London SW15 6AB

The Trustees present their annual report and audited financial statements for the year ended 31st December 2022. Reference and administrative information set out on page 1 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 as amended by the Charities Act 2022 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.

Structure, Governance & Management

The Board of Trustees met three times during the year. Five sub-committees of Trustees (outlined below) also met at different times during the year to assist in the efficient administration of the work of the Trust. The Director and/or Finance Manager attend by invitation.

Investment Committee

Alex Scott (Chair), Melanie Wotherspoon, Peter Redhead, who left the committee during the year and was replaced by Ian Johnson.

Personnel Committee

Madeleine Scott, Sarah Dunning (from October) and Peter Redhead until November, when he was replaced by Joanna Plumtre. Two Trustees from the Frieda Scott Charitable Trust. The Committee was Chaired by Alison Alger, a Trustee of the Frieda Scott Trust.

Small Grants Committee

The Chair and one other Trustee on a rolling basis in consultation with the Director.

Nominations Committee

Alexander Scott (Chair), Melanie Wotherspoon, Joanna Plumtre and Peter Redhead.

Finance & Risk Committee

Alexander Scott (Chair), Christine Knipe. Alex Scott left this Committee in November, and Steve Curl joined. Two Trustees from the Frieda Scott Trust meet jointly to review internal controls, risk management and other elements of oversight relevant to both Trusts. Audit oversight is conducted separately by the Trustees of the relevant Trust only. The Sir James and Lady Scott Trust does not have a representative at the Committee, but considers relevant recommendations.





Two Trustees (**Joanna Plumptre and Kaz Stuart**) also sat on the Aspiring Leaders Programme (ALP) Steering Group which oversees the delivery of this flagship programme for the Trust.

During the year Trustees approved the creation of a new Programmes sub committee to provide closer scrutiny and oversight of the efficacy of the grants programmes. Membership of the Committee when it is formed during 2023 will be: **Lizzy Steinhart, Annalee Holliday and Joanna Plumptre.**

Three part-time staff and one full-time reported to the Director of the Trust who in turn reported to the Board of Trustees. The Chair of Trustees line managed the Director on behalf of the Trustees and the Director managed all other staff. One member of staff works solely for the Francis C Scott Trust, whilst two spent part of their time working for two other grant-giving charities, The Sir James and Lady Scott Trust (1909), and the Frieda Scott Trust (1974) a fourth member of staff worked on behalf of The Frieda Scott Charitable Trust (1974) only, with charges being made accordingly. Of these roles, two were new appointees during the year. The number of staff working for the Francis C Scott Charitable Trust, calculated on a full-time equivalent basis, was 2.9 during the year.

The Personnel Committee meets twice annually and reviews the remuneration, terms and conditions of all staff including the key management roles of Director and Finance Manager. All salaries were benchmarked during 2021 and subsequently at recruitment during the year. Trustees agreed to undertake a complete benchmarking process every three years. The first will take place in 2024.

The Trust is a self-perpetuating body responsible for its own appointments and retirements. The Chair of the Trust is responsible for the induction and training of new Trustees. An induction programme is prepared for new Trustees and includes; a Copy of the Trust Deed, grant making strategic decisions and assessment processes, internal financial controls, responsibilities of Trustees, Investment Policy, Organisational Chart, Risk Assessment, the last 3 Trustees' Meeting Minutes, Trustees' Annual Report & Accounts, History & Purpose paper and the Terms of Reference for the sub-committees. Further background information, is held on the Trust's website: www.francis-scott.org.uk

The Nominations Committee met three times during the year to oversee an open recruitment process. Trustees approved the utilisation of both local and national platforms and networks to attract as wide and varied an interest as possible. The Nominations Committee shortlisted and interviewed a number of excellent candidates, before making recommendations to the Board. Trustees appointed four new Trustees who were formally welcomed to the Trust in November.

Trustees' Responsibilities

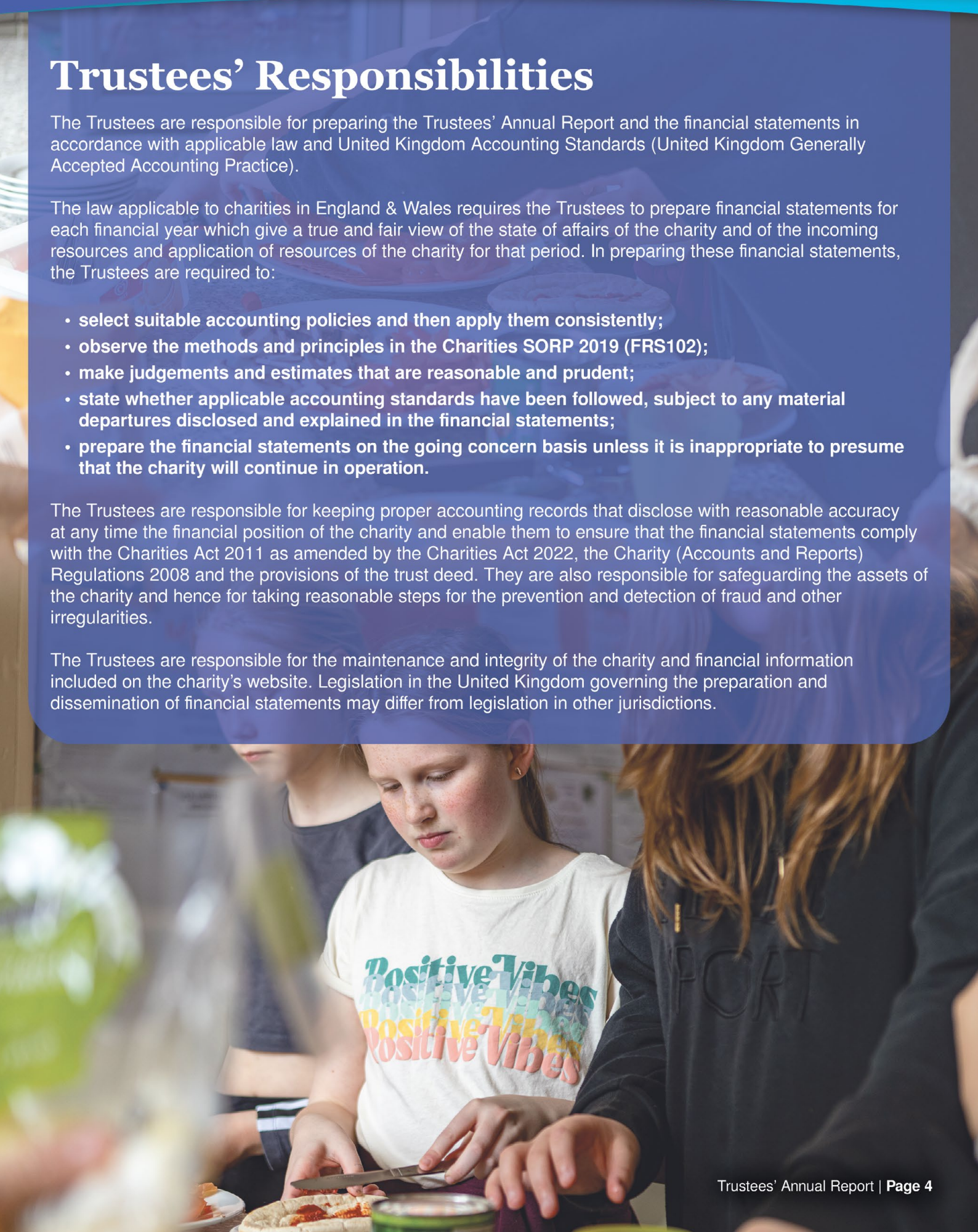
The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 as amended by the Charities Act 2022, 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

Peter Scott CBE was Chairman of the Provincial Insurance Company Ltd when the Francis C Scott Charitable Trust (Francis Scott Trust) was created by Deed of Trust on 1.10.63 with wide powers to distribute funds for charitable purposes. Peter Scott and his sister, Dr Joan Trevelyan, endowed the Trust with significant holdings of the family business (Provincial Insurance Company Ltd) shares between 1963 and 1971.

The Trust was named after their father, Francis C Scott, in recognition of his philanthropic work, and established with the aim of continuing to support the type of causes and projects that he had sponsored himself; in particular, the development of young people. It is for this reason that the Trust has had an enduring commitment to supporting communities and young people in the north-west of England to promote equity of opportunity and access to positive, developmental experiences, in particular in Cumbria, where the headquarters of the Provincial business was based.

As a grant-giving trust, we believe in the importance of:



Personal
Development



Nurturing individual talent
and organisations as they
evolve and being a
critical friend



Supporting direct delivery
of quality charity and
community work



Trusting our
beneficiaries and
keeping the admin
burden light



Long term
investment



Our independence,
which allows scope for
innovation and risk-taking



Sharing best practice
and celebrating success



Listening and
learning





Grant-making Policy and Practice

The core purpose of our grant making programme is to support organisations that enable young people up to the age of 24 in Cumbria & North Lancashire experiencing challenging circumstances to thrive.

The most recent strategic review was completed during 2019. Implementation began in 2020 and has continued at pace during 2021 and 2022, despite the effects of the pandemic on the Trusts operations and that of its grant holders. Key strategic decisions were:

- **To adopt a more positive, asset balanced approach based on the development of an individual's assets rather than the elimination of deficits.***
- **To be more deliberate in the funding of early intervention and preventative programmes as opposed to crisis support or emergency relief.**
- **To reconsider the use of deprivation statistics to consider those experiencing difficulties/barriers to thriving as a result of a number of limiting factors rather than solely living in areas of deprivation.**
- **Adapt the use of the 8-year funding model to enable more strategic working with social enterprise organisations (such as CICs) and give consideration to longer term relationships with grant holding charitable organisations.**
- **Develop a more collaborative approach to how we work both with other funders and other key stakeholders within and outside the voluntary sector.**
- **Be pro-active in supporting the sector through engagement with infrastructure bodies and local and regional authorities.**
- **Expand the Step Change programme to maximise bespoke developmental support for local charities with potential but experiencing challenges or wishing to make significant developments.**

*As a direct result of this decision, the deficit based grant categories previously used were disbanded, replaced instead with four broader thematic priority areas:

**Raising aspirations
and supporting
personal
development**

**Inclusive
Practice**

**Improving
Mental Health
and Wellbeing**

**Supporting
Sector
Effectiveness**

Trustees have continued to listen to experiences and perspectives of grant holders and applicants to adapt the Trust's grant making approach and to develop other activity, particularly in light of the effects of Covid on organisations and on young people, who are amongst the most adversely affected group. Activity during the year reflects the implementation of what we have heard and learned from our community partners and is described in further detail in the following pages.

The Trust endeavours to deal with all enquiries and applications to the Trust in an efficient and professional manner. Potential applicants are encouraged to liaise with the Trust's staff prior to submitting a funding request and all eligible applications are considered by Trustees.

The Trust commits to offering constructive, supportive feedback to unsuccessful applicants in the context of further enabling the development of all organisations who apply for a grant.

Every funding application considered at the main Trustee meetings is visited by the staff team and where possible, by a Trustee. Additionally, the Director and Grants Officer regularly attend various forums, funding fairs and conferences to keep up to date with relevant issues, trends and current needs both nationally and in the beneficial area.

The following 'Review of the Year' summarises the degree to which the Trust met its own charitable aims as stated above.



Achievements & Performance

Review of the year

Income and Expenditure

The Trust's investment portfolio is managed on a total return basis, with the management split in half between two investment managers with different investment approaches to aid diversification. Income received during the year was £1,276,383 with £822,637 of that figure coming from capital drawdown (2021: £1,199,360 & £744,607 respectively).

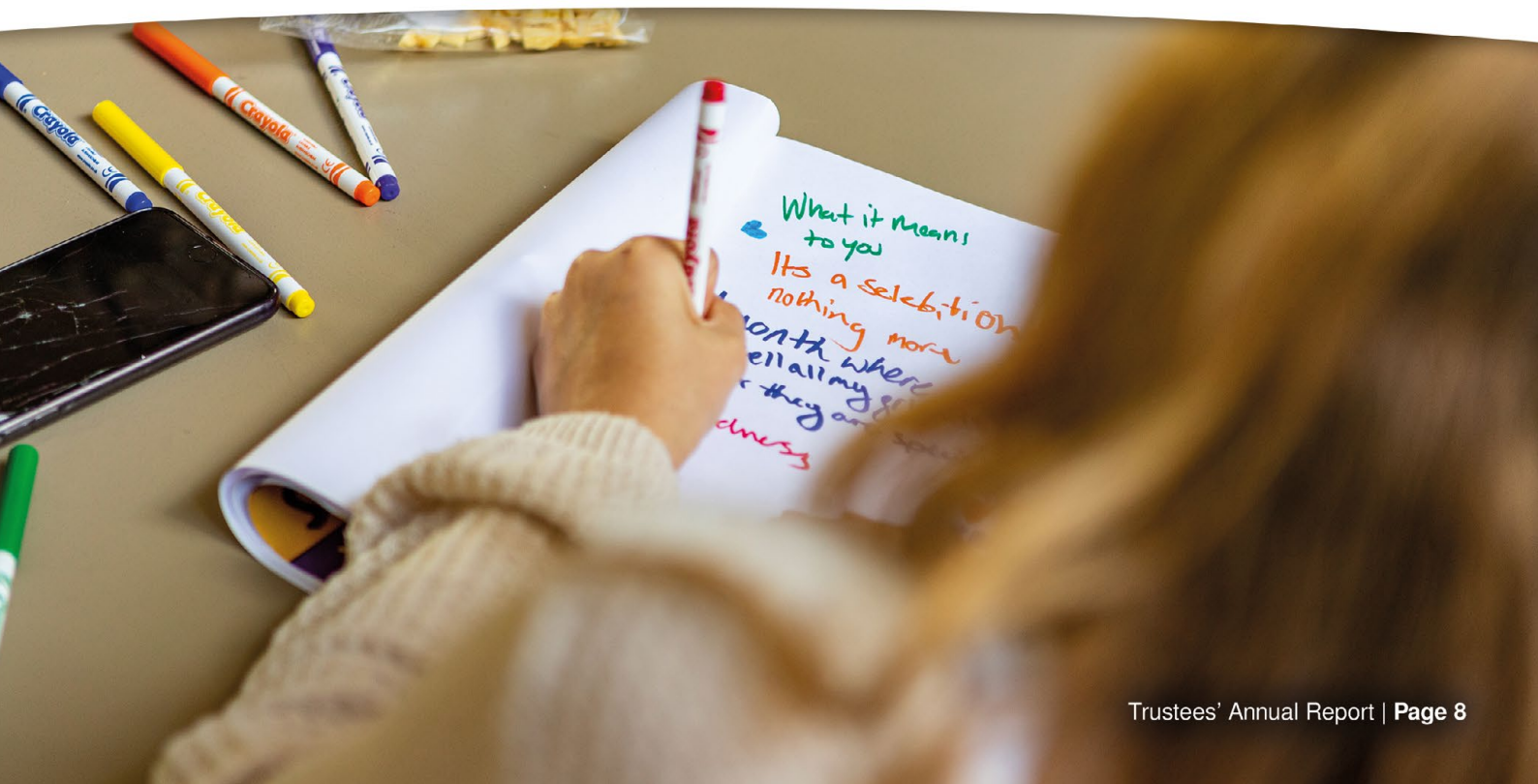
It is Trustees' strategic intent to ensure that current levels of expenditure are sustainable in the long term. The amount of grants paid in the year was £1,220m (2021: £975.8k). This includes restricted grants of £26.8k made during the year (2021: £nil).

Total management, administration and governance costs for the year amounted to £184k (£158k in 2021).

Grant making

The table below illustrates the size and number of grants committed in the year, the majority of which are for multi-year grants. The Trust also owns property that is occupied by the Brathay Trust on a long-term lease at a peppercorn rent (as shown in notes 2 and 12). It is the view of Trustees that this represents an 'in-kind' contribution to the Brathay Trust at a current annual value of £125k.

GRANTS COMMITTED	FY2022	FY2021	Average grant size FY2022	Average grant size FY2021
Main grants (Trustees)	£1,172m (26)	£1,108m (28)	£45.2k	£39.6k
Small grants	£32,384 (13)	£16,480 (7)	£2.5k	£2.3k
Step Change	£46,990 (12)	£15,860 (4)	£3.9k	£3.9k
TOTAL	£1,251,174 (51)	£1,139,940 (39)		



Aspiring Leaders Programme (ALP)

The most significant single project supported by the Trust is the ongoing **Aspiring Leaders Programme (ALP)** with ALP4 having started in January 2021.

ALP4 completed their second year of study during the year, with 12 participants due to complete the programme at the end of 2023.

This innovative project was a key outcome from the Trustees' 2010 Strategic Review and is seeking to enhance the leadership capability of our local not-for-profit sector. Following a commissioning process, Brathay Trust was awarded the contract to deliver the programme in partnership with the University of Cumbria (who have created a BSc (Hons) in Social Enterprise Leadership specifically for ALP) and Common Purpose.

The longitudinal report on the impacts of the programme commissioned by the Trust in 2021 was received by Trustees and its findings considered. Trustees committed to supporting a fifth cohort, due to begin September 2024, by providing 60% of the funding required. The ALP steering group are responsible for identifying and raising the remaining 40%. The Trust is an active part of the steering group and committed to supporting the fundraising activity to secure a fifth cohort of the programme.

Excluding ALP, the Trust received main grant funding requests of over £1.3m in 2022 (£1.3m in 2021) with 77% of applicants to the main grants programme being successful, with one successful application later being cancelled in 2023. (88% in 2021). 74% of applicants to the small grants committee were successful, with one application being withdrawn before a decision was made. (2021: 56%)

Although the most obvious and immediate effects of the Covid-19 health pandemic abated, its longer term effects continued to be felt by individuals, families and communities. The role of charities and community groups in providing support beyond the crisis phase, is vital, as the effects on young people in particular are continuing to emerge and are not yet fully understood.

The UK also entered a cost of living crisis during the year and the charity sector is one of several to experience staffing shortages and challenges at a time of increasing need for services.



Step Change

The Trust has operated a small 'funder plus' programme since 2015, to provide specialist, focussed support to organisations to address a specific need. The Trust's 2019 strategic decision to expand this programme gained further traction during the year with a three fold increase in the number of organisations receiving bespoke support. No applicants requesting Step Change support were rejected during the year.

In response to the concerns raised by community groups relating to the impact of the Covid pandemic on staff and volunteer teams, Trustees expanded the programme to enable organisations to directly support their teams, in particular to address needs around wellbeing and resilience. 2022 is the second year this offer was explicitly made, and of the 12 Step Change processes awarded during the year, 4 were used for this purpose.

In late 2021 grant holders were approached to identify other areas in which Step Change could be deployed, to offer training and development in areas which are not easily accessible elsewhere. The themes most frequently requested by grant holders were – time and energy management and coaching skills for managers.

Future Fixers, a Kendal based CIC were commissioned to deliver two focussed programmes, each over two half days to address the areas identified. 9 and 11 attendees respectively attended the pilot programmes, run during March and provided positive feedback. A second programme was run in the autumn with 8 and 5 attendees respectively. The next iteration of the programme is a monthly peer support session focussing on different aspects of personal development for professional excellence. Peer support sessions will run throughout 2023, beginning in January. The programme is capped at 16 participants and was oversubscribed.



Social Investment

In April 2021 Trustees committed to developing a small social investment portfolio and the Trust's first repayable loan was made within the year.

For the Trust, social investment enables utilising part of the capital endowment to support local organisations when grant funding is not the most appropriate source of finance or who fall outside the priority funding area, but whom we would look to support if required.

Trustees gave careful consideration to Charity Commission Guidance on Social Investment, CC14 and took legal advice to ensure the Trust Deed allowed for this activity.

Trustees are mindful that social investment is not appropriate for all charity and not for profit organisations and takes a developmental and supportive approach to working with potential applicants. Step Change can be used as a tool to improve investment readiness where required, and the Trust became an access point for the Reach Fund during the year.



Public Benefit

The Trustees confirm that they have referred to Charity Commission guidance on public benefit when reviewing the Trust's aims and objectives, in planning future activities and setting the grant-making policy and are satisfied that the Trust meets the requirements of the key principles as defined.

Risk Management

An Annual Risk Report is tabled every year for consideration by Trustees that includes 29 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 page 5. This risk is addressed by holding a diversified portfolio of investments with separate fund managers and by having policies in place to adjust distribution levels over time.

Trustees are also aware of the requirements of the Common Reporting Standard and confirm that all recipients of grant funding during the year were organisations registered in the UK for tax purposes.



Financial Review

Investment Policy

As allowed by the Trust Deed, Trustees treat the capital of the Trust as expendable endowment and have considerable discretion over the investment of the monies of the Trust Fund. Trustees engage two separate investment managers, each with roughly half of the Trust's investment portfolio managed on a total return basis.

The aim of the Trust's Investment Policy is to maintain the real value of the capital whilst providing sustainable returns to distribute as grants. In deciding the amount to be spent on grant-making and operations in the year, Trustees used as a guide an amount that is 3.5% of the total value (on a trailing 13 quarter average) of the investment portfolio. Trustees agreed in April 2021 that up to 5% of the assets under management may be deployed as social investments.

During the year Trustees considered the current and ongoing needs facing young people in the beneficiary area and the positive relative performance of the Trust's assets over the long term. As a result, Trustees agreed to increase distribution to 4% of the total value (on a trailing 13 quarter average) from 2023.

The full investment policy of the Trust is reviewed annually by Trustees who take account of the advice and recommendations of the Investment Committee.

Environmental, Social & Governance

In 2019 Trustees undertook a review of the Management of their Investments to integrate a higher standard of Environmental, Social and Governance (ESG) factors, bringing the investment management in line with their other social responsibilities as a grant-making Trust. For the purposes of managing the portfolio towards ESG integration, Trustees have adopted the UNPRI definition as "the explicit and systematic inclusion of ESG issues in investment analysis and investment decisions".

Trustees consider this the start position for a journey towards greater alignment of investments with the Trusts values and objectives over time.

Performance against Investment Policy

The portfolio produced a total return of negative 14% in 2022, with Sarasin producing a 14.6% negative return and Rothschild negative 13.3%. This compares to the ARC Charity Steady Growth Index down 9.6%.

Reserves Policy

As allowed by the Trust Deed, Trustees treat the capital of the Trust as expendable endowment. The capital is held primarily as an investment fund to generate income for the charity's grant-making programme.

As at 31.12.22 there was a negative balance on unrestricted funds (reserves) of £1.198m (2021: £1.119m). This arises because of the inclusion in the financial statements of grant commitments of £1.530m (2021: £1.550m) over the next 3 years that are not due to be paid until after future investment returns are received. Forward commitments are made within a calculation which 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.



Plans for Future Periods

Trustees are very much aware that these remain challenging times for many organisations and individuals in the Trust's beneficial area, with continued challenges and long-term effects, in particular for young people whose formative, developmental years have been materially impacted. As a long-term funder, the Francis Scott Trust will continue providing multi-year funding to charitable projects within its defined areas of benefit and continues to explore new ways of working to expand productive and positive methods of collaborating with community partners delivering quality programmes to children and young people locally.

2023 is the Trust's 60th anniversary year. During the year, a youth led grants programme will be launched and completed. Twenty young people, recruited from across the Trust's beneficial area will be trained and supported to set their own overall objective, priorities, and eligibility before opening the grants programme to young people's groups. The programme is intended to result in a legacy that informs the Trusts future strategic giving and incorporates young people's views beyond this milestone year.

Going concern

The fund value of £35,412,586 at the year-end December 2022 is down versus year-end December 2021 but more than the real value of the endowment. Trustees are mindful that the income from the fund may fluctuate in future years and that the growth in the value of investments in recent years may not continue. The level of distribution made available remains at Trustee's discretion, as does the use of capital to meet agreed distribution levels.

Based on these assessments and given the measures undertaken to mitigate risks, 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 on July 14th, 2023.

Peter Redhead (Chair of Trustees)

THE FRANCIS C SCOTT CHARITABLE TRUST

Dated 1st October 1963 – Registered Charity No. 232131

Independent Auditor's report to the Trustees of The Francis C Scott Charitable Trust

Opinion

We have audited the financial statements of The Francis C Scott Charitable Trust (the 'charity') for the year ended 31 December 2022 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 December 2022, 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 as amended by the Charities Act 2022.

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 trustee's 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 12 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 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 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 FRANCIS C SCOTT CHARITABLE TRUST

Dated 1st October 1963 – Registered Charity No. 232131

Independent Auditor's report to the Trustees of The Francis C Scott Charitable Trust

Matters on which we are required to report by exception

In the 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 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 as amended by the Charities Act 2022 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they are aware of any instances of non-compliance;
 - detecting and responding to risks of fraud and whether they have any knowledge of any actual, suspected or alleged fraud;

Independent Auditor's report to the Trustees of The Francis C Scott Charitable Trust

- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud to be in relation to management override which, in common with all audits under ISAs (UK), we are required to perform specific procedures to respond to this risk.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011 as amended by the Charities Act 2022 and Charities (Accounts and Reports) Regulations 2008.

As a result of performing the above, in response to the risks identified, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations. In addition to the above, our procedures to respond to risks identified the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the charity's work.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

THE FRANCIS C SCOTT CHARITABLE TRUST

Dated 1st October 1963 – Registered Charity No. 232131

Independent Auditor's report to the Trustees of The Francis C Scott Charitable Trust

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.

Dodd & Co Audit Ltd

Dodd & Co Audit Limited, Statutory Auditor

Date 09/08/2023

FIFTEEN Rosehill, Montgomery Way, Rosehill Estate, Carlisle, Cumbria, CA1 2RW

Dodd & Co Audit Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE FRANCIS C SCOTT CHARITABLE TRUST

Dated 1st October 1963 - Registered Charity No. 232131

Statement of financial activities

For the year ended 31 December 2022

	Notes	Expendable endowment	Restricted	General unrestricted	Total 2022	As restated Total 2021
		£	£	£	£	£
Income						
Investment income	2	-	-	453,746	453,746	454,753
Donation		-	-	-	-	-
Transfer to income	3	(822,637)	-	822,637	-	-
Total income		<u>(822,637)</u>	<u>-</u>	<u>1,276,383</u>	<u>453,746</u>	<u>454,753</u>
Expenditure						
<i>Costs of raising funds</i>						
Investment management costs	4	(246,620)	-	-	(246,620)	(258,634)
<i>Expenditure on charitable activities</i>						
<i>Grant making</i>						
Grants committed	5/23	-	(26,800)	(1,224,374)	(1,251,174)	(1,139,940)
Grant commitments cancelled	5/23	-	-	53,367	53,367	1,039
Grant related support/governance costs	5/6/7	-	-	(183,725)	(183,725)	(158,319)
Social Investment related support/governance costs	6	-	-	(950)	(950)	(4,645)
		<u>-</u>	<u>(26,800)</u>	<u>(1,355,682)</u>	<u>(1,382,482)</u>	<u>(1,301,865)</u>
Total expenditure		<u>(246,620)</u>	<u>(26,800)</u>	<u>(1,355,682)</u>	<u>(1,629,102)</u>	<u>(1,560,499)</u>
Net expenditure before gains/losses on investments	8	<u>(1,069,257)</u>	<u>(26,800)</u>	<u>(79,299)</u>	<u>(1,175,356)</u>	<u>(1,105,746)</u>
Net gains/losses on investments	13	(4,686,020)	-	-	(4,686,020)	4,053,940
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(5,755,277)</u>	<u>(26,800)</u>	<u>(79,299)</u>	<u>(5,861,376)</u>	<u>2,948,194</u>
<i>Reconciliation of funds</i>						
Total funds brought forward (as restated)		<u>41,565,833</u>	<u>45,000</u>	<u>(1,118,731)</u>	<u>40,492,102</u>	<u>37,543,908</u>
Total funds carried forward		<u>35,810,556</u>	<u>18,200</u>	<u>(1,198,030)</u>	<u>34,630,726</u>	<u>40,492,102</u>

The notes on pages 21 to 34 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 FRANCIS C SCOTT CHARITABLE TRUST

Dated 1st October 1963 - Registered Charity No. 232131

Balance sheet

At 31 December 2022

	Notes	Expendable endowment	Restricted Fund	General unrestricted	Total 2022	As restated Total 2021
		£	£	£	£	£
Fixed assets						
Tangible assets	12	125,000			125,000	125,000
Investments	13	35,412,586			35,412,586	41,172,670
Programme related investments	14	300,000		4,597	304,597	300,000
		<u>35,837,586</u>		<u>4,597</u>	<u>35,842,183</u>	<u>41,597,670</u>
Current assets						
Debtors	15			12,567	12,567	18,770
Cash	16		18,200	325,621	343,821	464,716
			<u>18,200</u>	<u>338,188</u>	<u>356,388</u>	<u>483,486</u>
Creditors: Amounts falling due within one year	17	<u>(27,030)</u>	<u>-</u>	<u>(1,110,615)</u>	<u>(1,137,645)</u>	<u>(990,366)</u>
Net current (liabilities)/assets		<u>(27,030)</u>	<u>18,200</u>	<u>(772,427)</u>	<u>(781,257)</u>	<u>(506,880)</u>
Total assets less current liabilities		35,810,556	18,200	(767,830)	35,060,926	41,090,790
Creditors: Amounts falling due after more than one year	18	-	-	(430,200)	(430,200)	(598,688)
Total net assets/(liabilities)		<u>35,810,556</u>	<u>18,200</u>	<u>(1,198,030)</u>	<u>34,630,726</u>	<u>40,492,102</u>
Total charity funds		<u>35,810,556</u>	<u>18,200</u>	<u>(1,198,030)</u>	<u>34,630,726</u>	<u>40,492,102</u>

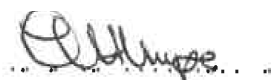
Approved by the Trustees on

14.07.23

and signed on their behalf by:



Peter Redhead (Chair of Trustees)



Christine Knipe (Trustee)

The notes on pages 21 to 34 form part of these financial statements.

THE FRANCIS C SCOTT CHARITABLE TRUST

Dated 1st October 1963 - Registered Charity No. 232131

Statement of Cash Flows

For the year ended 31 December 2022

	Notes	Total Funds 2022 £	Total Funds 2021 £
Net cash used in operating activities	21	<u>(1,644,718)</u>	<u>(1,375,618)</u>
<i>Cash flows from investing activities:</i>			
Dividends and interest		449,759	455,693
Net proceeds from sale/purchase of investments		3,476,507	(180,247)
Net cash used by investing activities		<u>3,926,266</u>	<u>275,446</u>
Change in cash and cash equivalents in the year		2,281,548	(1,100,172)
Cash and cash equivalents brought forward		889,047	1,667,130
Change in cash and cash equivalents due to exchange rate movements		<u>(1,700,221)</u>	<u>322,089</u>
Cash and cash equivalents carried forward	22	<u><u>1,470,374</u></u>	<u><u>889,047</u></u>

THE FRANCIS C SCOTT CHARITABLE TRUST

Dated 1st October 1963 – Registered Charity No. 232131

Notes to financial statements

For the year ended 31 December 2022

1 Accounting policies

a) Basis of accounting

The Francis C Scott Charitable Trust is a Trust created by Deed of Trust on 1 October 1963 with wide powers to distribute funds for charitable purposes. 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 are prepared under the historical cost convention, with the exception of investments, which are included on a market value basis and properties which are included at prior professional valuation. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 as amended by the Charities Act 2022.

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 (FRS 102) issued on 16 July 2014 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.

c) Investment 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 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 on initial recognition 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. 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 overhead and support costs as shown in note 6.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the uses 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) Tangible fixed assets

Individual fixed assets are capitalised where the purchase cost exceeds £10,000.

Tangible fixed assets are valued at cost or valuation, net of depreciation and any provision for impairment.

No depreciation is provided on land. Freehold properties have not been depreciated as the Trustees consider that the amount involved is immaterial.

f) Revaluation of properties

Advantage has been taken of the transitional provisions of FRS 102 to retain the book value of properties which were revalued prior to implementation of that standard. The properties were last revalued on 14 January 1997 and the valuation has not subsequently been updated.

THE FRANCIS C SCOTT CHARITABLE TRUST

Dated 1st October 1963 – Registered Charity No. 232131

Notes to financial statements

For the year ended 31 December 2022

1 Accounting policies (cont.)

g) Fixed asset investments

Investments are included at their fair value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

h) Programme related investments

Programme related investments are initially measured at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

i) Foreign currencies

Foreign currency balances have been translated at the rate of exchange ruling at the balance sheet date.

j) Financial instruments

Forward foreign currency contracts are measured at fair value on the date the contract is entered into and are subsequently re-measured at the fair value at the balance sheet date. Changes in the fair value are recognised in the Statement of Financial Activities.

k) 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.

l) Pensions

The Trust operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the Statement of Financial Activities in the year they are payable.

m) Operating lease rentals

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

n) Prior period adjustment

An adjustment has been processed in the prior period financial statements in order to correct the cut-off of investment management costs. The impact on the financial statements for the year ended 31 December 2021 is as follows:

	£
Expendable endowment funds brought forward	(27,581)
Investment management costs	(4,256)
Accruals	31,837
Expendable endowment funds carried forward	(31,837)

THE FRANCIS C SCOTT CHARITABLE TRUST

Dated 1st October 1963 - Registered Charity No. 232131

Notes to the financial statements for the year ended 31 December 2022 (continued)

	2022 £	2021 £
2 Investment income		
General unrestricted		
Stocks and shares	439,048	454,153
Bank interest	1,038	30
Charities deposit fund interest	1,369	25
Interest on balances with fund managers	-	182
Interest from programme related investments	12,290	362
	<u>453,745</u>	<u>454,752</u>
 Rental income (Brathay Trust)	 <u>1</u>	 <u>1</u>
	<u>453,746</u>	<u>454,753</u>
 Expendable endowment		
Interest on balances with fund managers	-	-
Restricted fund	<u>-</u>	<u>-</u>
	<u>453,746</u>	<u>454,753</u>

3 Transfers from expendable endowment to income

A transfer of capital of £822,637 was made in the year (2021: £744,607). The total amount of unrestricted income available for spending in the year was £1,276,383 (2021: £1,199,360).

	2022 £	As restated 2021 £
4 Investment management costs		
Fund managers' fees comprise:		
Rothschild	132,659	143,946
Evelyn	-	-
Sarasin	113,961	121,135
Schroder refunded fees	-	(6,447)
	<u>246,620</u>	<u>258,634</u>

The Total Expense Ratio for 2022 was 0.72% (2021: 0.76%) for Rothschild and 0.60% (2021: 0.60%) for Sarasin.

THE FRANCIS C SCOTT CHARITABLE TRUST

Dated 1st October 1963 - Registered Charity No. 232131

Notes to the financial statements for the year ended 31 December 2022 (continued)

5 Grantmaking	2022	2021
The value of grants to institutions committed in the year, including cancelled grants comprises:	£	£
General unrestricted funds		
Grant commitments	1,224,374	1,139,940
Grants cancelled/underspend/recovered	(53,367)	(1,039)
	1,171,007	1,138,901
Support costs (notes 6 and 7)	132,361	125,660
Governance costs (notes 6 and 7)	51,364	32,659
	183,725	158,319
	1,354,732	1,297,220
Restricted fund		
Grant commitments	26,800	-
Grants cancelled	-	-
	1,381,532	1,297,220

Full details of the recipients are shown in note 23.

	2022	2021
£	£	£
Reconciliation of grants payable:		
Commitments at beginning of period	1,549,865	1,386,753
Commitments made in the period - general unrestricted fund	1,224,374	1,139,940
Commitments made in the period - restricted fund	26,800	-
Grants cancelled	(50,150)	-
Grant underspend vs commitment	(3,217)	(1,039)
Grants committed for the period	1,197,807	1,138,901
Grants paid during the period	(1,229,598)	(975,789)
Grants repaid	11,500	-
	(1,218,098)	(975,789)
Commitments at 31 December	1,529,574	1,549,865
Commitments at 31 December are payable as follows:		
Within one year (note 17)	1,099,374	951,177
After more than one year (note 18)	430,200	598,688
	1,529,574	1,549,865

Notes to the financial statements for the year ended 31 December 2022 (continued)

6 Allocation of support 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 £	Governance £	Charitable Activities £	Basis of Apportionment
<u>Grantmaking</u>				
Staff costs	133,205	19,981	113,224	Staff time
Office rental and costs	16,872	1,687	15,185	Staff time
Travelling and conferences	2,330	233	2,097	Staff time
Staff training	540	81	459	Staff time
Subscriptions	2,147	751	1,396	Usage
	<u>155,094</u>	<u>22,733</u>	<u>132,361</u>	
Programme related investment costs	950	333	617	Staff time
	<u>156,044</u>	<u>23,066</u>	<u>132,978</u>	

	2022 £	2021 £
Governance costs		
Staff costs	19,981	19,174
Office rental and costs	1,687	1,539
Travelling and conferences	233	65
Staff training	81	284
Subscriptions	751	520
Professional fees:		
- ALP research report	4,180	4,180
- Legal expenses	1,874	2,286
- Brand and website	7,612	-
Audit fee	4,800	3,626
Costs of trustees' meetings	320	237
Trustees' travel expenses	294	261
ALP 10-year Anniversary Event	4,645	-
Sundry	4,906	487
	<u>51,364</u>	<u>32,659</u>
Programme related investment costs	333	465
	<u>51,697</u>	<u>33,124</u>

7 Comparatives for allocation of support 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 £	Governance £	Charitable Activities £	Basis of Apportionment
Staff costs	127,824	19,174	108,650	Staff time
Office rental and costs	15,390	1,539	13,851	Staff time
Travelling and conferences	652	65	587	Staff time
Staff training	1,890	284	1,606	Staff time
Subscriptions	1,486	520	966	Usage
	<u>151,887</u>	<u>22,047</u>	<u>129,840</u>	
Programme related investment costs	4,645	465	4,180	Staff time
	<u>151,887</u>	<u>22,047</u>	<u>129,840</u>	

8 Net expenditure and net movement in funds before gains and losses on investments

	2022 £	2021 £
Net expenditure and net movement in funds before gains on investments is stated after charging:		
Auditor's remuneration	4,800	3,626
Auditor's remuneration - non audit fees	504	-
Operating lease rentals	<u>15,276</u>	<u>14,137</u>

Notes to the financial statements for the year ended 31 December 2022 (continued)

9 Analysis of staff costs and remuneration of key management personnel

	2022 £	2021 £
Salaries	145,127	130,730
Social security costs	9,535	9,066
Pension costs	13,733	12,071
	<u>168,395</u>	<u>151,867</u>

The average monthly number of employees during the year was 4 (2021: 4). Calculated on a full time equivalent basis the average number was 2.92 (2021: 2.87). Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The Trust considers its key management personnel comprise the Trustees, the Director and Finance Manager. The total employment benefits including employer pension contributions of the key management personnel were £116,927 (2021: £106,553).

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2022 Number	2021 Number
£60,000 - £69,999	1	1

Employees worked for 1 or 2 other Trusts, The Frieda Scott Charitable Trust and The Sir James and Lady Scott Trust, operating from the same address. A proportion of their costs, based on the time spent, is recharged to those charities. The amount recharged during the year was £35,190 (2021: £29,533). Madeleine Scott is also a Trustee of The Sir James and Lady Scott Trust.

	2022 £	2021 £
Salaries	168,395	151,867
Legal/HR/Other	-	5,510
Staff costs	<u>168,395</u>	<u>157,377</u>
Less: recharged	<u>(35,190)</u>	<u>(29,553)</u>
Net cost to the Francis C Scott Charitable Trust	<u>133,205</u>	<u>127,824</u>
Included in charitable activities	113,224	108,650
Included in governance costs	<u>19,981</u>	<u>19,174</u>
	<u>133,205</u>	<u>127,824</u>

The Trust makes contributions to the defined contribution pension schemes of its employees. The assets of these schemes are held separately from those of the Trust in independently administered funds. The pension costs charge represents contributions paid by the Trust to those funds. An Auto-Enrolment compliant scheme was set up with effect from 1 April 2016.

THE FRANCIS C SCOTT CHARITABLE TRUST

Dated 1st October 1963 - Registered Charity No. 232131

Notes to the financial statements for the year ended 31 December 2022 (continued)**10 Trustees' remuneration and related parties**

2 Trustees (2021: 1) received expenses totalling £294 in the year (2021: £260) for the cost of travel to Trustees' meetings and on other Trust business. Trustees neither received nor waived any emoluments during the year (2021: £nil). An annual donation of £5,000 was made to the Liverpool Charity and Voluntary Services to be spent on charitable causes at the Chair's discretion.

There were no related party transactions in the year.

11 Comparatives for Statement of Financial Activities and Balance Sheet figures**Statement of Financial Activities**

	Expendable endowment	Restricted	General unrestricted	Total 2021
	£	£	£	£
Income				
Investment income	-	-	454,753	454,753
Donation	-	-	-	-
Transfer to income	(744,607)	-	744,607	-
Total income	<u>(744,607)</u>	<u>-</u>	<u>1,199,360</u>	<u>454,753</u>
Expenditure				
<i>Costs of raising funds</i>				
Investment management costs	(265,081)	-	6,447	(258,634)
<i>Expenditure on charitable activities</i>				
Grant making				
Grants committed	-	-	(1,139,940)	(1,139,940)
Grant commitments cancelled	-	-	1,039	1,039
Grant related support/governance costs	-	-	(158,319)	(158,319)
Social Investment related support/governance costs	-	-	(4,645)	(4,645)
	<u>-</u>	<u>-</u>	<u>(1,301,865)</u>	<u>(1,301,865)</u>
Total expenditure	<u>(265,081)</u>	<u>-</u>	<u>(1,295,418)</u>	<u>(1,560,499)</u>
Net expenditure and net movement in funds before gains and losses on investments	<u>(1,009,688)</u>	<u>-</u>	<u>(96,058)</u>	<u>(1,105,746)</u>
Net gains on investments	4,053,940	-	-	4,053,940
Transfers between funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds	3,044,252	-	(96,058)	2,948,194
<i>Reconciliation of funds</i>				
Total funds brought forward	<u>38,521,581</u>	<u>45,000</u>	<u>(1,022,673)</u>	<u>37,543,908</u>
Total funds carried forward	<u>41,565,833</u>	<u>45,000</u>	<u>(1,118,731)</u>	<u>40,492,102</u>

THE FRANCIS C SCOTT CHARITABLE TRUST

Dated 1st October 1963 - Registered Charity No. 232131

Notes to the financial statements for the year ended 31 December 2022 (continued)**11 Comparatives for Statement of Financial Activities and Balance Sheet figures (continued)****Balance Sheet**

	Expendable endowment	Restricted Fund	General unrestricted	Total 2021
	£	£	£	£
Fixed assets				
Tangible assets	125,000	-	-	125,000
Investments	41,172,670			41,172,670
Programme related investments	300,000	-	-	300,000
	<u>41,597,670</u>	<u>-</u>	<u>-</u>	<u>41,597,670</u>
Current assets				
Debtors	-	-	18,770	18,770
Cash		45,000	419,716	464,716
	<u>-</u>	<u>45,000</u>	<u>438,486</u>	<u>483,486</u>
Creditors: Amounts falling due within one year	<u>(31,837)</u>	<u>-</u>	<u>(958,529)</u>	<u>(990,366)</u>
Net current (liabilities)/assets	<u>(31,837)</u>	<u>45,000</u>	<u>(520,043)</u>	<u>(506,880)</u>
Total assets less current liabilities	41,565,833	45,000	(520,043)	41,090,790
Creditors: Amounts falling due after more than one year	<u>-</u>	<u>-</u>	<u>(598,688)</u>	<u>(598,688)</u>
Total net assets/(liabilities)	<u>41,565,833</u>	<u>45,000</u>	<u>(1,118,731)</u>	<u>40,492,102</u>
Total charity funds	<u>41,565,833</u>	<u>45,000</u>	<u>(1,118,731)</u>	<u>40,492,102</u>

12 Tangible fixed assets

	Land & Buildings	
	2022	2021
	£	£
Balance at beginning and end of period	<u>125,000</u>	<u>125,000</u>

The properties were valued by Clark Scott-Harden, Chartered Surveyors, Penrith on the basis of open market value with existing use on 14 January 1997. The Trustees consider that this valuation is reasonable as the properties are let under a long lease which only generates a nominal rent. They do not consider it necessary, or in the interests of the Trust, to have the properties revalued at this time.

The properties comprise Brathay Hall and 3 estate cottages all of which are let to the Brathay Trust (Registered Charity No: 1021586) for a nominal rent under a lease which expires in 2049. Brathay Trust currently insure the buildings for £25,994,338 (2021: £23,609,480). The historical cost of the properties at 31 December 2022 was £360,689 (31 December 2021: £360,689) and the current annual rental value foregone has been estimated at £125,000 (2021: £117,500).

Notes to the financial statements for the year ended 31 December 2022 (continued)

13 Investments	2022	2021
	£	£
Market value at beginning of period	40,748,339	37,136,241
Acquisitions at cost	10,185,597	12,260,800
Disposal proceeds	(13,662,104)	(12,380,553)
Net gains/(losses) on revaluation	(2,985,799)	3,731,851
Market value at end of period	34,286,033	40,748,339
Uninvested cash and settlements pending - endowment account	1,126,553	424,331
	35,412,586	41,172,670

Uninvested cash includes a net currency loss of £1,700,221 (2021: gain of £322,089). Net losses on the revaluation and disposal of all investments for the year amounted to £4,686,020 (2021: gain of £4,053,940).

Investments at market value comprise

	2022	2021
	£	£
Equities	24,836,357	31,657,008
Fixed income	4,953,752	4,944,239
Hedge funds	2,480,624	2,102,333
Alternative	1,693,830	2,097,966
Other	321,470	(53,207)
	34,286,033	40,748,339
Historical cost at end of period	32,655,599	33,977,748

All investments are either listed on UK or overseas stock exchanges, or valued by reference to such investments.

The Trustees consider individual security holdings in excess of 5% and fund holdings in excess of 10% to be material. There were no holdings meeting these criteria at the year-end.

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 mid-price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. The difference between the mid-price and bid-price is not material to the accounts. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

Notes to the financial statements for the year ended 31 December 2022 (continued)

14 Programme related investments	2022	2021
	£	£
Investments at cost		
Cost less impairment at 1 January	300,000	-
Additions at cost	4,597	300,000
Losses and impairment	-	-
Disposals and repayments	-	-
Cost less impairment at 31 December	<u>304,597</u>	<u>300,000</u>
Investments comprise the following:		
Debt	<u>304,597</u>	<u>300,000</u>
Total	<u>304,597</u>	<u>300,000</u>
15 Debtors	2022	2021
	£	£
General unrestricted funds		
Prepayments and accrued income	5,497	6,010
Other debtors	<u>7,070</u>	<u>12,760</u>
	12,567	18,770
Expendable endowment funds		
Other debtors	<u>-</u>	<u>-</u>
	<u>12,567</u>	<u>18,770</u>
16 Cash	2022	2021
	£	£
General unrestricted funds		
COIF	54,815	51,646
Fund managers	87,638	80,954
Cash at banks	183,152	286,918
Petty cash	<u>16</u>	<u>198</u>
	325,621	419,716
Restricted fund		
COIF	<u>18,200</u>	<u>45,000</u>
	<u>343,821</u>	<u>464,716</u>

Notes to the financial statements for the year ended 31 December 2022 (continued)

	2022	As restated 2021
	£	£
17 Creditors: Amounts falling due within one year		
General unrestricted funds		
Grants payable (note 5)	1,099,374	951,177
Accruals	7,881	7,352
Taxation and social security	3,360	-
	<u>1,110,615</u>	<u>958,529</u>
Expendable endowment funds		
Accruals	27,030	31,837
	<u>27,030</u>	<u>31,837</u>
Restricted fund		
Grants payable (note 5)	-	-
	<u>-</u>	<u>-</u>
	<u>1,137,645</u>	<u>990,366</u>
	2022	2021
	£	£
Grant commitments due within one year		
General unrestricted funds	1,099,374	951,177
Restricted fund	-	-
	<u>1,099,374</u>	<u>951,177</u>
18 Creditors: Amounts falling due after more than one year	2022	2021
	£	£
General unrestricted funds		
Grants payable (note 5)	<u>430,200</u>	<u>598,688</u>
19 Operating lease commitments		
At 31 December 2022 the Trust had the following future minimum lease payments under non-cancellable operating leases as follows:		
Land & Buildings - for the rental of offices in Stricklandgate House, Kendal.		
Annual rental will be £14,336 and the lease can be terminated at any time with 6 months notice.		
Other - for the rental of a photocopier, the term of which is from 1 January 2023 to 31 December 2027.		
	Land & Buildings	Other
	2022	2021
	£	£
Expiry date:		
Within one year *	7,168	6,649
Two to five years	-	-
Over five years	-	-
	<u>7,168</u>	<u>6,649</u>
	<u>7,168</u>	<u>6,649</u>
	<u>3,625</u>	<u>809</u>
	<u>3,625</u>	<u>809</u>
* 6 months' costs		
20 Restricted fund	2022	2021
	£	£
Goodacre Benevolent Fund - donation made on closure of fund for distribution in Kendal.	<u>18,200</u>	<u>45,000</u>
	<u>18,200</u>	<u>45,000</u>

Notes to the financial statements for the year ended 31 December 2022 (continued)

	2022	As restated 2021
	£	£
21 Reconciliation of net movement in funds to net cash flow from operating activities		
Net movement in funds	(5,861,376)	2,948,194
Deduct dividend and income shown in investing activities	(453,746)	(454,753)
Add / (Deduct) losses / (gains) on investments	4,686,020	(4,053,940)
Decrease in debtors	5,593	22,457
(Decrease) / Increase in creditors	(21,209)	162,424
Net cash used in operating activities	(1,644,718)	(1,375,618)

22 Analysis of changes in net debt

	1 January 2022	Cash flows	Other non- cash changes	31 December 2022
	£	£	£	£
Cash and cash equivalents				
Cash	464,716	(120,895)	-	343,821
Investment cash	424,331	2,402,443	(1,700,221)	1,126,553
	<u>889,047</u>	<u>2,281,548</u>	<u>(1,700,221)</u>	<u>1,470,374</u>
Borrowings	-	-	-	-
Total	<u>889,047</u>	<u>2,281,548</u>	<u>(1,700,221)</u>	<u>1,470,374</u>

Notes to the financial statements for the year ended 31 December 2022 (continued)

23 Grants

	Commitments made in the year ended 31.12.22	Commitments made in the year ended 31.12.21
	£	£
Achieve Change and Engagement	-	23,600
Alston Recreation Ground	3,000	-
Always Another Way Cumbria Ltd	22,000	30,000
Anti Racist Cumbria	30,000	-
Aspatria Dreamscheme	-	42,000
Autus Cumbria Limited	-	51,800
Barrow AFC Community Trust	(405)	10,000
Better Tomorrows	-	150,000
Birchall Trust	-	80,000
Blue Owl	-	(1,039)
Brathay Trust	(25,000)	-
Carer Support South Lakes	4,000	-
Carlisle Youth Zone	24,400	-
Christ Church Night Shelter	(6,500)	10,000
Circus Starr CIC	1,000	-
Copeland Youth Network	-	45,000
Creative Lives	(3,950)	-
Cumbria Alcohol & Drug Advisory Service	-	3,860
Cumbria Development Education Centre	-	10,700
Cumbria Family Support	2,100	90,000
Cumbria Federation of Young Farmers Clubs	-	47,600
Cumbria RungWe Community Link	3,200	-
Cumbria Youth Alliance	-	4,000
Distington Club for Young People	-	36,800
Drop Zone Youth Projects	60,000	-
Eden Ventures	1,000	3,950
EggCup	3,990	-
Euphoric Circus	20,000	-
Friends of Bram	22,000	10,000
Furness Broadcast Media/ CANDOFM	3,684	-
Furness Multicultural Community Forum	-	47,100
Future Fixers	5,300	-
Gilcrux Village Hall	-	1,000
Good Things Collective CIC	4,000	-
Great Clifton Community Youth Group	1,000	-
Greenbank Community Association	500	1,000
Home Start Morecambe and Lancaster	60,000	-
Howgill Family Centre (Good Enough Start)	60,000	30,400
Inspiring Barrow - Cumbria CVS	45,000	-
Kent Estuary Youth (KEY) Project	40,000	-
Kepplewray Trust	-	25,000
Lancaster CVS & CYA	89,000	-
Lancaster District CVS	35,800	-
Lancaster Music Festival	2,500	-
Lancashire Youth Challenge	45,000	-

(continued over)

THE FRANCIS C SCOTT CHARITABLE TRUST

Dated 1st October 1963 - Registered Charity No. 232131

Notes to the financial statements for the year ended 31 December 2022 (continued)**23 Grants (continued)**

	Commitments made in the year ended 31.12.22	Commitments made in the year ended 31.12.21
	£	£
Moore Arts : Millom	-	31,200
More Music in Morecambe	45,000	-
North Allerdale Development Trust	-	60,000
Out in the Bay	4,000	-
Panathlon	(2,000)	2,000
People First Independent Advocacy	4,000	-
Peter Scott Award - Howgill Family Centre	-	2,500
Peter Scott Award - Youthability	2,500	-
PiNC	29,700	-
Promoting Autonomy and Change Ltd - PAC	9,600	-
Queen Katherine School Association	3,000	-
ROCK	4,000	-
SAFA Cumbria	(1,350)	22,000
Safety Net	72,600	-
Sight Advice South Lakes	40,700	-
Signal Film & Media	120,000	-
Signal Film & Media	3,600	11,000
Stanleys Community Centre	51,000	-
Strawberry Fields Training	4,000	45,000
Stricklandgate House	-	4,000
The Happy Mums Foundation CIC	(2,700)	-
The Laal Collective	-	2,000
The Olive Branch	1,500	-
Time to Share Bereavement Youth Services CIC	-	40,200
Together We CIC	-	60,000
Triple A	58,300	-
Walney Community Trust	49,117	6,530
Wave Forward (South Lakes)	4,000	-
Well Suited CIC	4,000	-
West Cumbria Rivers Trust	37,100	-
Whitehaven Harbour Youth Project	3,421	-
Whitehaven Sea Cadet Corps	(10,000)	-
Wigton Youth Station	38,900	-
Windmill Trust	20,000	-
Wise Up Workshops CIC	43,200	13,000
Wise Up Workshops CIC	4,000	-
YMCA Lakeside	4,000	-
Young Enterprise	-	30,000
Youthability Youth Services	-	56,700
TOTAL	1,197,807	1,138,901
Total number of grants excluding refunds & cancellations	51	39



Francis Scott Trust

Trustees' Annual Report & Financial Statements

Dated 1st October 1963 – Registered Charity No. 232131
(for the year ended 31st December 2022)

For further information or to request this document in an accessible format please contact:

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