

**THE T.E.M. McKITTERICK TRUST**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE**  
**YEAR ENDED 31 DECEMBER 2022**

**CHARITY No. 327891**

**THE T.E.M. McKITTERICK TRUST**

**Charity Information**

Trustees	The Management Committee of The Society of Authors
Charity Number	327891
Charity Offices	c/o The Society of Authors 24 Bedford Row London WC1R 4EH
Independent Examiner	Simon Goodridge FCA Knox Cropper LLP Chartered Accountants 65 Leadenhall Street London EC3A 2AD
Bankers	HSBC The Peak 333 Vauxhall Bridge Road Victoria London SW1V 1EJ
Investment Managers	abrdn 280 Bishopsgate London EC2M 4AG

# THE T.E.M. McKITTERICK TRUST

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# **REPORT OF THE TRUSTEES OF THE T.E.M. McKITTERICK TRUST**

## **YEAR ENDED 31 DECEMBER 2022**

The Trustees present their report and financial statements for the year ended 31<sup>st</sup> December 2022. The Trustees have adopted the provisions of the Accounting and Reporting by Charities, Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019).

### **Trustees**

The Management Committee of the Society of Authors is the permanent Trustee of the charity (the "Trustees") and have acted throughout the year.

### **Investment powers and Risk Management**

The Trust Deed authorises the Trustees to make and hold investments using the Capital Funds of the charity. These are shown in detail in the notes to the financial statements. The principal area of risk concerns the management of the investments, the income from which provides the main source of funds from which the awards are paid. The investments are therefore kept under constant review by the investment managers.

### **Constitution, objects and policies**

This Charity was constituted under a Trust Deed dated 3<sup>rd</sup> February 1988 in accordance with the provisions of the Will of the late Thomas Edward Maurice McKitterick who died on 11<sup>th</sup> November 1986. The Trust is for the advancement of education for the public benefit of providing for the benefit and encouragement of authors by the provision of an annual prize, grant or award out of income to an author of a work of fiction or imagination who merits encouragement and support and recognition by reason of such author having shown high artistic potential. Candidates must be not less than 40 years of age and shall not have had previously published a work of fiction or imagination at the time of the entrance closure date. The policy of The T. E. M. McKitterick Trust continues to be to award an annual prize in accordance with the Trust Deed out of the income generated by the investments.

### **Public Benefit**

In reviewing the charity's aims and objectives and in planning future activities, the Trustees refer to the Charity Commission's general guidance on public benefit.

### **Financial Review**

The results for the year ended 31<sup>st</sup> December 2022 are attached and show a Net increase in funds of £37,363 (2021: £12,609 decrease) before adding the realised loss on sale of investments of £484 (2021: £943 gain) and unrealised decrease in market value of investments amounting to £11,264 (2021: £6,578 increase). The McKitterick Prize this year of £5,250 was awarded to 2 authors (2021: £5,250 awarded to 2 authors) and other expenditure amounted to £11,004 (2021: £11,404). The investments appear in the Balance Sheet at their market value of £69,977 (2021: £89,106). The Funds carried forward at the year-end stand at £118,347 (2021: £92,732) including Restricted Funds totalling £51,100 (2021: £nil) and the Trustees consider that the charity has sufficient income and capital to meet its obligations in the foreseeable future.

## REPORT OF THE TRUSTEES OF THE T.E.M. McKITTERICK TRUST

YEAR ENDED 31 DECEMBER 2022

### Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The law applicable to charities in England and Wales, the Charities Act 2011, 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 its incoming resources and application of resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and the principles of the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the board of Trustees on 18 May 2023 and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'Joanne Harris', written over a faint rectangular stamp or watermark.

Joanne Harris – Chair of the Management Committee, The Society of Authors

**THE T.E.M. McKITTERICK TRUST**  
**YEAR ENDED 31<sup>st</sup> DECEMBER 2022**

**Independent Examiner's Report to the Trustees of The T E M McKitterick Trust**

I report to the trustees on my examination of the accounts of The T E M McKitterick Trust for the year ended 31<sup>st</sup> December 2022.

**Responsibilities and basis of report**

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Act).

I report in respect of my examination of the Trust's accounts as required under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent Examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which give me cause to believe that in any material aspect:

- a) accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- b) the accounts do not accord with those records; or
- c) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than the requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

*Simon Goodridge*

Simon Goodridge FCA  
Knox Cropper LLP  
Chartered Accountants  
65 Leadenhall Street  
London  
EC3A 2AD

Date: 14 July 2023

**THE T.E.M. McKITTERICK TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31<sup>st</sup> DECEMBER 2022**

		<b>2022 Unrestricted</b>	<b>2022 Restricted</b>	<b>2022 Total</b>	<b>2021 Total – all unrestricted</b>
<b>Incoming Resources</b>					
Investment Income	2	2,514	-	2,514	2,365
Bank Interest		3	-	3	-
Grant - Hawthornden Literary Retreat		-	51,100	51,100	-
- ALCS		-	-	-	1,680
Total Income		<u>2,517</u>	<u>51,100</u>	<u>53,617</u>	<u>4,045</u>
<b>Expenditure</b>					
Raising Funds:					
Investment Management Fees		377	-	377	470
Charitable Activities	3	15,877	-	15,877	16,184
Total Expenditure		<u>16,254</u>	<u>-</u>	<u>16,254</u>	<u>16,654</u>
<b>Net Income/ (expenditure) before Investment gains/(losses)</b>		<u>(13,737)</u>	<u>51,100</u>	<u>37,363</u>	<u>(12,609)</u>
Net gains/(losses) on investments	5	(11,748)	-	(11,748)	7,521
<b>Net income/(expenditure)</b>		<u>(25,485)</u>	<u>51,100</u>	<u>25,615</u>	<u>(5,088)</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		92,732	-	92,732	97,820
<b>Total funds carried forward</b>		<u><u>£67,247</u></u>	<u><u>£51,100</u></u>	<u><u>£118,347</u></u>	<u><u>£92,732</u></u>

**THE T.E.M. McKITTERICK TRUST**

**BALANCE SHEET**

**31<sup>st</sup> DECEMBER 2022**

	<b>Notes</b>	<b>2022</b>		<b>2021</b>	
		£	£	£	£
<b>FIXED ASSETS</b>					
Quoted Investments – at Market Value	4		69,977		89,106
<b>CURRENT ASSETS</b>					
Cash held by Investment Managers		2,639		1,641	
Cash at bank		<u>46,452</u>		<u>3,599</u>	
		49,091		5,240	
<b>CURRENT LIABILITIES</b>					
Amounts due within one year	7	<u>(721)</u>		<u>(1,614)</u>	
<b>Net Current Assets</b>			48,370		3,626
<b>TOTAL NET ASSETS</b>	9		<u>£118,347</u>		<u>£92,732</u>
Represented by:					
<b>ACCUMULATED FUND</b>					
Restricted	8		51,100		-
Unrestricted Funds			67,247		92,732
<b>TOTAL UNRESTRICTED FUNDS</b>			<u>£118,347</u>		<u>£92,732</u>

Approved by the Trustees on 18 May 2023 and signed on their behalf by:



Joanne Harris – Chair of the Management Committee, The Society of Authors

The notes form part of these Financial Statements

**THE T.E.M. McKITTERICK TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> DECEMBER 2022**

**1. ACCOUNTING POLICIES**

- a) These financial statements have been prepared in accordance with the Financial Reporting Standard 102 and the Charities SORP (FRS102 second edition) and in compliance with the Charities Act 2011.

The charity is a public benefit entity under FRS102.

- b) The income from investments and bank interest received represent the actual income receivable in the year.
- c) Awards paid include all amounts payable in the year in accordance with the terms of the Trust Deed.
- d) Other expenditure is included on the basis of amounts payable for the year.
- e) Unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purpose.

- f) The quoted investments are included in the Financial Statements at market value to comply with the Statement of Recommended Practice.
- g) The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements.

The Trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

**2. INVESTMENT INCOME**

	<b>2022 Gross Income</b>	<b>2021 Gross Income</b>
	£	£
<b>NON GOVERNMENT BOND FUNDS</b>		
ASC (Offshore) Global Fixed Interest Fund Z Income	400	400
ASC (Offshore) Sterling Fixed Interest Fund Z Income	234	262
<b>MULTI ASSET CHARITY INVESTMENT FUNDS</b>		
ASC Income Fund Z	1,880	1,361
BNY Mellon Funds	-	342
<b>TOTAL</b>	<b>£2,514</b>	<b>£2,365</b>

**THE T.E.M. McKITTERICK TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> DECEMBER 2022**

**3. CHARITABLE ACTIVITIES**

	<b>2022</b>	<b>2021</b>
	£	£
<b>Direct</b>		
Awards Paid	5,250	5,250
<b>Indirect</b>		
Judges' Fees	5,000	4,680
Administration Costs	4,920	4,736
Other	77	918
<b>Governance</b>		
Independent Examination Fee	630	600
	<u>£15,877</u>	<u>£16,184</u>

**4. INVESTMENTS**

	<b>Cost</b>	<b>Market Value</b>
	£	£
<b>NON GOVERNMENT BOND FUNDS</b>		
ASC (Offshore) Global Fixed Interest Fund Z Income	8,392	6,665
ASC (Offshore) Sterling Fixed Interest Fund Z Income	7,488	6,436
	<u>15,880</u>	<u>13,101</u>
<b>MULTI ASSET CHARITY INVESTMENT FUNDS</b>		
ASC Income Fund Z	<u>57,911</u>	<u>56,876</u>
Totals at – 31 <sup>st</sup> December 2022	<u>£73,791</u>	<u>£69,977</u>
31 <sup>st</sup> December 2021	<u>£80,850</u>	<u>£89,106</u>

**5. MOVEMENT ON COST OF INVESTMENTS**

	<b>2022</b>		<b>2021</b>	
	£	£	£	£
Cost at 1 January 2022		80,850		51,236
Additions				
ASC Income Fund Z	<u>-</u>	-	<u>73,504</u>	73,504
Disposals				
BNY Mellon Funds	-		(34,085)	
ASC (Offshore) Global Fixed Interest Fund Z Income	-		(618)	
ASC (Offshore) Sterling Fixed Interest Fund Z Income	-		(654)	
ASC Income Fund Z	<u>(7,059)</u>	(7,059)	<u>(8,533)</u>	(43,890)
Cost at 31 December 2022		<u>£73,791</u>		<u>£80,850</u>

**THE T.E.M. MCKITTERICK TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> DECEMBER 2022**

**6. MOVEMENT IN MARKET VALUES OF INVESTMENTS**

	<b>2022</b>		<b>2021</b>	
	£	£	£	£
Market Value at beginning of year		89,106		96,394
Additions	-		73,504	
Disposal proceeds	(7,381)		(88,313)	
Investment gains/(losses)	(11,748)		7,521	
		(19,129)		(7,288)
		<u>£69,977</u>		<u>£89,106</u>
Realised gains/(losses)		(484)		943
Unrealised gains/(losses)		(11,264)		6,578
		<u>£(11,748)</u>		<u>£7,521</u>

**7. CREDITORS AND ACCRUALS**

	<b>2022</b>	<b>2021</b>
	£	£
Investment Managers' Fees	91	114
Professional Fees	630	600
Creditors	-	900
	<u>£721</u>	<u>£1,614</u>

**8. RESTRICTED FUNDS**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held to be applied for specific purposes.

	<b>Balance at 1 January 2022</b>	<b>Income</b>	<b>Expenditure</b>	<b>Balance at 31 December 2022</b>
	£	£	£	£
Hawthornden Literary Retreat	-	51,100	-	51,100
	<u>-</u>	<u>51,100</u>	<u>-</u>	<u>51,100</u>

The Hawthornden Literary Retreat restricted funds are to enable the The T.E.M. McKitterick Trust prize to continue for the next three years and to enable the prize monies to be increased for the winner and runner up and to also offer four shortlisted authors prize monies.

**THE T.E.M. McKITTERICK TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> DECEMBER 2022**

**9. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total</b>
	£	£	£
<b>Fund balances at 31<sup>st</sup> December 2022 are represented by</b>			
Fixed investments	69,977	-	69,977
Current Assets	(2,009)	51,100	49,091
Current Liabilities	(721)	-	(721)
<b>Net Total Net Assets</b>	<b>67,247</b>	<b>51,100</b>	<b>118,347</b>

**10. RELATED PARTY DISCLOSURES**

The Society of Authors, which is the corporate Trustee of the charity, carried out management services for the charity and charged management fee for the year amounting to £4,920 (2021: £4,736). There were no other related party transactions in the year.

The Hawthornden Literary Retreat grant of £51,100 was received by The Society of Authors from CAF America and regranted to the charity.

**11. REVIEW OF FUNDS**

During the year the Trustees reviewed the charity's investment policy. The review identified that the charity has a permanent endowment, however for at least the last 10 years the Trustees have informally followed a total return basis to allow capital returns to fund some of the charity's annual expenditure. Following legal advice, the Trustees passed a resolution on 26 May 2022 in accordance with s282 Charities Act 2011 that the objects of the Trust to which the fund is subject could be carried out more effectively if the capital of the Fund could be expended as well as income accruing to it, rather than just income. This resolution has been sent to the Charity Commission.

The Trustees have also reported to the Charity Commission on the historical position and are waiting to hear back with their response.