

**Company Registration No. 3473879**

**Charity Commission Reference No. 1066751**

**THE TITUS TRUST**

**Report and Financial Statements**

**30 September 2005**



# **THE TITUS TRUST**

## **REPORT AND FINANCIAL STATEMENTS 2005**

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# **THE TITUS TRUST**

## **REPORT AND FINANCIAL STATEMENTS 2005**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **TRUSTEES**

Mr David Aston  
Miss Sue Berry  
Mr Michael Bewes  
Mr Andrew Dalton  
Mrs Rachel Dowdy  
Revd David Fletcher  
Mr Paul Houghton (Treasurer)  
Mr Peter LeRoy  
Mrs Claire O'Donoghue  
Mr Simon Pilcher  
Mr Giles Rawlinson (Chairman)  
Revd Vaughan Roberts  
Revd Simon Scott  
Dr Garry Williams  
Mr Paul Williams

#### **SECRETARY**

Mr Mark Nicholas

#### **REGISTERED OFFICE**

10 Deepdale  
Wimbledon  
London SW19 5EZ

#### **BANKERS**

National Westminster Bank Plc  
89 Mount Pleasant Road  
Tunbridge Wells TN1 1PX

#### **SOLICITORS**

Monro Pennefather & Co  
8 Great James Street  
London WC1N 3DA

#### **INVESTMENT MANAGERS**

Merrill Lynch Investment Managers Ltd  
33 King William Street  
London EC4R 9AS

#### **AUDITORS**

Griffin Stone, Moscrop & Co  
Chartered Accountants  
41 Welbeck Street  
London W1G 8EA

# THE TITUS TRUST

## TRUSTEES' REPORT

The Trustees present their annual report and the audited financial statements for the year ended 30 September 2005.

### LEGAL AND ADMINISTRATIVE DETAILS

The Trust was incorporated on 1 December 1997 as a company limited by guarantee and is registered as a charity with the Charity Commission. Under UK company law, all the Trustees are directors of the company. The liability of the company's members in the event of the Trust being wound up is limited to a sum not exceeding £10. In preparing this report and financial statements the Trustees have taken advantage of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The Trustees meet at least four times each year to review all aspects of the Trust's activities, including its finances, and make planning decisions for its ongoing work.

### PRINCIPAL ACTIVITY

The Titus Trust is established to seek to make the Christian faith a living and practical issue to young people having a present or past association with independent schools in England and Wales.

### REVIEW OF THE YEAR AND DEVELOPMENTS IN THE TRUST'S ACTIVITIES

During the year ended 30 September 2005, the Titus Trust has continued to achieve its aims. Primarily, these aims were met by the organisation and operation of 15 summer holidays for boys and girls from independent schools. On those holidays, the young people enjoyed a number of adventure activities, plenty of good fun and received clear and biblically faithful teaching about the Christian faith. In addition, the Titus Trust ran a number of Easter and Christmas conferences during which many young people heard about Jesus Christ.

The Trust's work is divided into three main camp groups: Gloddaeth, Iwerne (including Monkton) and LymingtonRushmore. During the year, The Titus Trust employed staff in all three camp groups to ensure that its aims were achieved. Throughout the academic year, these staff spent much of their time working in independent schools. When invited into schools, our staff took school assemblies, gave talks and presentations and helped lead Christian meetings.

The Titus Trust owes a debt of gratitude to the many volunteers who helped operate the Trust's holidays in the past year.

The Trust's Statement of Financial Activities is set out on page 6 and shows a net increase in funds of £97,128 in the year ended 30 September 2005 (2004: increase of £226,694). Total funds at the end of the year were £809,783 (2004: £712,655).

### INVESTMENT POWERS AND POLICY

Under the memorandum and articles of association, the Trustees have the power to invest funds that are not immediately required for the working purposes of the Trust as they think fit. In addition, they have the power to delegate the exercise of their powers of investment upon such terms and at such reasonable remuneration as the Trustees may think fit to professional investment managers.

The total return on the investments managed by the Trust's investment managers (excluding cash balances) was 13.7% during the year (2004: 7.8%) and the value of our non-cash investments at the end of the year was £311,064 (2004: £273,693).

The Trust holds additional monies in bank accounts earning competitive rates of interest in order to be able to meet more immediate needs and to ensure that the Trust can cope with the month-to-month fluctuations in our income and expenditure. Given the uncertainties in financial markets and the Trustees' view that returns from equity markets are likely to be lower in coming years than was the case in the 1980s and 1990s, we believe that it is prudent to have a significant amount of the Trust's reserves invested in cash instruments.

The Trust's investments are invested for the medium term and are currently held in a mixture of cash, UK fixed income assets, UK and overseas equity markets. Whilst the allocation between these asset classes is agreed by the Trustees, day to day management is carried out by the Trust's professional investment managers, Merrill Lynch Investment Managers Ltd. The Trust benefits from the income generated by the portfolio as well as from the security of knowing that short-term fluctuations in giving can be sustained without the need for spending to be reined back immediately.

# THE TITUS TRUST

## TRUSTEES' REPORT (continued)

### RESERVES POLICY

The Trustees have established policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the Trust should be at least the greater of 12 months' staff costs and six months' charitable expenditure calculated on an annualised basis. At 30 September 2005, this equated to a desired level of £499,532 (2004: £456,020). At this level, the Trustees believe they are giving appropriate regard to the Trust's employees and allowing sufficient time to make necessary contingency plans in the event of a significant drop in funding. The Trustees do not believe it is appropriate to set an upper limit for their free reserves since the Trust may, from time to time, wish to allow the level of reserves to increase prior to establishing new ventures. Nevertheless, the Trustees are committed to using all the resources at their disposal for the purpose of advancing the aims of the Trust.

At 30 September 2005 the Trust's free reserves amounted to £781,322 (2004: £689,819). This is £281,790 above (2004: £233,799 above) the minimum set by the policy outlined above.

### RISK MANAGEMENT

The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate the Trust's exposure to the major risks.

As the Trust funds and organises Christian adventure activity holidays for children and teenagers, the Trustees consider that the major risk to which the Trust is exposed is the risk of injury to a child participating in such a holiday. Therefore the Trustees take the following steps to minimise this risk: ensure that the Trust's holidays comply with the requirements of the Adventure Activities Licensing Authority and that the requisite licences are obtained; employ properly trained staff and volunteers to organise and supervise the holiday activities; ensure that premises and equipment are suitable and safe; and maintain public liability insurance.

The Trustees' system of financial risk management involves maintaining the Trust's level of free reserves at the levels stated above.

### TRUSTEES AND SECRETARY

The following have acted as Trustees throughout the year, except as noted:

Mr David Aston  
Miss Sue Berry  
Mr Michael Bewes  
Mr Andrew Dalton  
Mrs Rachel Dowdy  
Revd David Fletcher  
Mr Paul Houghton  
Mr Peter LeRoy

Mr Simon Pilcher  
Mrs Claire O'Donoghue  
Mr Giles Rawlinson  
Revd Vaughan Roberts  
Revd Simon Scott  
Dr Garry Williams  
Mr Paul Williams

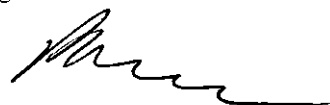
On 27 November 2004, Mr Stephen Hatherall resigned as Trust Secretary, and Mr Mark Nicholas was appointed.

On 26 November 2005 Mr Michael Bewes and Mr Simon Pilcher resigned as Trustees.

### AUDITORS

A resolution to reappoint the auditors, Griffin Stone, Moscrop & Co, will be proposed at the Annual General Meeting.

Approved by the Trustees  
and signed on their behalf



**P R Houghton**

Trustee  
26 November 2005

## **THE TITUS TRUST**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

United Kingdom company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Trust as at the end of the financial period and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TITUS TRUST**

We have audited the financial statements of The Titus Trust for the year ended 30 September 2005 on pages 6 to 12, which comprise a statement of financial activities, a balance sheet and related notes 1 to 11. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment assets, and the accounting policies contained therein.

This report is made solely to the company's members and Trustees, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members and Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members and Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Trustees and auditors**

As described on page 4 the Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the Trustees' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the company is not disclosed.

We read other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

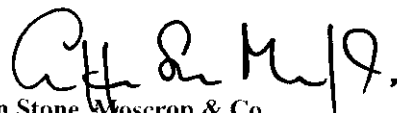
### **Basis of opinion**

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the Trust's affairs as at 30 September 2005 and of its incoming resources and application of resources including its income and expenditure in the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

  
**Griffin Stone, Moscrop & Co**  
Chartered Accountants and Registered Auditors  
41 Welbeck Street  
London W1G 8EA  
14 December 2005

# THE TITUS TRUST

## STATEMENT OF FINANCIAL ACTIVITIES Year ended 30 September 2005

	Note	2005 £	2004 £
<b>INCOME AND EXPENDITURE</b>			
<b>Incoming resources:</b>			
Donations		702,681	827,965
Activities in furtherance of the charity's objects:			
– Operation of holiday camps	2	343,016	287,424
Investment income	3	25,875	17,346
Total incoming resources		<u>1,071,572</u>	<u>1,132,735</u>
<b>Cost of generating funds:</b>			
Fund-raising costs		(12,163)	(13,233)
Investment management fees		(588)	(588)
		<u>(12,751)</u>	<u>(13,821)</u>
<b>Charitable expenditure:</b>			
Cost of activities in furtherance of the charity's objects:			
– Cost of operation of holiday camps	4	(948,817)	(862,471)
– Management and administration	5	(50,247)	(49,569)
Total charitable expenditure		<u>(999,064)</u>	<u>(912,040)</u>
Total resources expended		<u>(1,011,815)</u>	<u>(925,861)</u>
<b>NET INCOME FOR THE YEAR</b>		59,757	206,874
Other recognised gains and losses:			
Net gains on investment assets	8	37,371	19,820
<b>NET MOVEMENT IN FUNDS</b>		97,128	226,694
<b>Balance brought forward at the start of the year</b>		<u>712,655</u>	<u>485,961</u>
<b>Balance carried forward at the end of the year</b>		<u><u>809,783</u></u>	<u><u>712,655</u></u>

### Total recognised gains and losses

There were no recognised gains and losses for these years, except as shown above.

### Continuing operations

All amounts shown above relate to continuing activities.



# THE TITUS TRUST

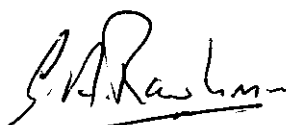
## BALANCE SHEET 30 September 2005

	Note	2005 £	£	2004 £	£
<b>FIXED ASSETS</b>					
Tangible assets	7		28,461		22,836
Investments	8		311,064		273,693
			<u>339,525</u>		<u>296,529</u>
<b>CURRENT ASSETS</b>					
Debtors	9	74,685		19,231	
Cash at banks		<u>511,019</u>		<u>484,713</u>	
		585,704		503,944	
<b>CREDITORS: amounts falling due within one year</b>					
	10	<u>(115,446)</u>		<u>(87,818)</u>	
<b>NET CURRENT ASSETS</b>					
			<u>470,258</u>		<u>416,126</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>809,783</u>		<u>712,655</u>
<b>FUNDS</b>					
Unrestricted fund			<u>809,783</u>		<u>712,655</u>

In the preparation of these financial statements, the Trustees have taken advantage of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the Trustees on 26 November 2005.

Signed on behalf of the Trustees



**G A Rawlinson**  
Chairman



**P R Houghton**  
Treasurer

# THE TITUS TRUST

## NOTES TO THE ACCOUNTS

Year ended 30 September 2005

### 1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention (except for assets at revalued amounts) and in accordance with the provisions of the Companies Act 1985, the Statement of Recommended Practice Accounting and Reporting by Charities (Revised 2000), and applicable Accounting Standards. Where necessary the headings laid down in the Companies Act have been adopted to meet the special circumstances of the Trust. The Trust qualifies as a small company under the Companies Act 1985 and the Trustees have taken advantage of the exemption under Financial Reporting Standard No. 1 not to prepare a cash flow statement.

#### Donations

Donations received are credited to incoming resources on receipt by the Trust. Gifts received under the Gift Aid scheme are credited to incoming resources, together with the appropriate tax recoverable.

#### Investment income and interest receivable

Income from investments and deposit interest is included in the statement of financial activities when it becomes receivable. Investment income is included gross of recoverable taxation.

#### Expenditure

Expenditure is included in the statement of financial activities on the accruals basis and includes irrecoverable VAT. Where expenditure relates to more than one functional category, it has been allocated as considered appropriate.

#### Tangible fixed assets and depreciation

Depreciation is provided at the following rates in order to write off the costs of tangible fixed assets over their expected useful lives:

Campers' activity equipment	10% - 50% on cost or reducing balance
Office equipment	20% - 33.3% on cost or reducing balance

#### Investments

Investments are stated at market value. Realised and unrealised investment gains and losses are taken to the statement of financial activities.

#### Pensions

The Trust operates a defined contribution pension scheme. Contributions payable for the year are charged in the statement of financial activities. The Trust also makes payments on behalf of certain employees to other occupational and personal pension schemes.

### 2. OPERATION OF HOLIDAY CAMPS

	2005 £	2004 £
Campers' fees	270,849	224,792
Assistant leaders' fees	32,586	31,855
Other income	39,581	30,777
	<u>343,016</u>	<u>287,424</u>

# THE TITUS TRUST

## NOTES TO THE ACCOUNTS

Year ended 30 September 2005

### 3. INVESTMENT INCOME

	2005 £	2004 £
Dividends	10,459	10,206
Bank deposit interest	15,416	7,140
	<u>25,875</u>	<u>17,346</u>

### 4. COST OF OPERATION OF HOLIDAY CAMPS

	2005 £	2004 £
Staff salaries, life assurance and pension costs (see note 6)	371,265	362,157
Staff expenses	64,410	42,839
Subsistence grants paid to Associates (see note 6)	64,590	45,320
Rent and utilities for all holidays	186,519	153,263
Food	77,190	75,407
Activities (incl. Activities Legal)	68,645	57,055
Insurance - holiday equipment and liability	12,101	13,029
Other direct costs of holidays	40,436	46,602
Publicity, printing, consumables and postage	26,092	23,394
Holiday office and administration costs	27,375	27,686
Depreciation	10,194	15,719
	<u>948,817</u>	<u>862,471</u>

### 5. MANAGEMENT AND ADMINISTRATION

	2005 £	2004 £
Staff salary and pension cost (see note 6)	29,339	29,981
Office costs	5,846	5,454
Insurance (indemnity & legal expenses)	3,986	1,480
Audit and accountancy fees	3,828	3,571
Other professional fees	6,597	8,432
Depreciation	651	651
	<u>50,247</u>	<u>49,569</u>

The above audit and accountancy fees comprise audit fees of £3,267 (2004: £3,114) and fees for non-audit services of £561 (2004: £457). All these amounts include VAT.

Included in insurance costs above are Trustees' indemnity insurance costs of £935 (2004: £866).

# THE TITUS TRUST

## NOTES TO THE ACCOUNTS Year ended 30 September 2005

### 6. STAFF COSTS AND NUMBERS

	2005 £	2004 £
Wages and salaries	317,309	299,382
Social security costs	31,180	30,054
Pension costs	41,817	52,960
	<hr/>	<hr/>
Total staff costs	390,306	382,396
	<hr/>	<hr/>
Subsistence grants paid to Associates	64,590	45,320
	<hr/>	<hr/>

No employee received emoluments in excess of £50,000 in either the current or prior year.

The average number of full time Associates that served with the Trust in the year was eight (2004: six). Associates are not employed staff, however, the cost of their subsistence grants is shown above.

The average number of full time equivalent employees, analysed by function, was:

	No.	No.
Holiday camps	12	12
Management and administration	1	1
	<hr/>	<hr/>
	13	13
	<hr/>	<hr/>

The Trust operates a defined contribution pension scheme and the charge for the year is shown above as part of pension costs. The Trust also makes payments on behalf of certain employees to other occupational and personal pension schemes.

None of the Trustees received any remuneration during the year (2004: £nil). However, see note 11 in respect of other related party transactions.

No Trustees received travelling expenses during the year (2004: one Trustee received a total of £28).

# THE TITUS TRUST

## NOTES TO THE ACCOUNTS Year ended 30 September 2005

### 7. TANGIBLE FIXED ASSETS

	Office equipment £	Camps' equipment £	Total £
<b>Cost</b>			
At 30 September 2004	2,605	92,601	95,206
Additions	-	16,470	16,470
Disposals	-	(2,330)	(2,330)
At 30 September 2005	2,605	106,741	109,346
<b>Accumulated depreciation</b>			
At 30 September 2004	1,019	71,351	72,370
Charge for the year	651	10,194	10,845
Disposals	-	(2,330)	(2,330)
At 30 September 2005	1,670	79,215	80,885
<b>Net book value</b>			
At 30 September 2005	935	27,526	28,461
At 30 September 2004	1,586	21,250	22,836

The camps' equipment is used for direct charitable purposes and the office equipment is used for management and administration.

### 8. INVESTMENTS

	2005 £	2004 £
<b>Market value</b>		
At start of the year	273,693	253,873
Donations received as shares	-	-
Additions at cost	-	-
Disposal proceeds	-	-
Change in market values	37,371	19,820
At end of the year	311,064	273,693
<b>Analysed as:</b>		
<i>United Kingdom quoted investments:</i>		
- Charishare distribution units	203,086	171,688
- Charinco distribution units	86,377	83,962
	289,463	255,650
<i>Overseas quoted investments:</i>		
- Mercury Offshore Sterling Trust Global Fund	21,601	18,043
	311,064	273,693
<b>Historical cost at end of the year</b>	228,937	228,937

# THE TITUS TRUST

## NOTES TO THE ACCOUNTS Year ended 30 September 2005

### 9. DEBTORS

	2005 £	2004 £
Staff loans	10,282	-
Income tax recoverable	53,302	10,009
Other debtors	4,348	3,321
Prepayments	6,753	5,901
	<u>74,685</u>	<u>19,231</u>

### 10. CREDITORS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Social security and other taxes	9,616	7,541
Other creditors	74,537	71,475
Accruals	31,293	8,802
	<u>115,446</u>	<u>87,818</u>

### 11. RELATED PARTY TRANSACTIONS

Throughout the year, Mrs DH Houghton (wife of Mr PR Houghton, a Trustee) worked in a part time staff position. In the year ended 30 September 2005 she received total emoluments of £4,608 (2004: £4,608).