

REGISTERED CHARITY NUMBER: 1070223

**THE F AND E HARRIS MEMORIAL TRUST
REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022**

THE F AND E HARRIS MEMORIAL TRUST
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022

	Page
Report of the Trustees	1 to 4
Independent Examiner's Report	5
Statement of Financial Activities	6
Statement of Financial Position	7
Notes to the Financial Statements	8 to 12
Detailed Statement of Financial Activities	13

THE F AND E HARRIS MEMORIAL TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2022

The trustees present their report with the financial statements of the charity for the year ended 30th June 2022. The trustees have adopted the provisions of 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To relieve either generally or individually persons resident in the area of benefit who are in condition of need, hardship or distress, sickness or ill health.

Provide or contribute towards the provision maintenance or repair of village facilities available for the residents of South Marston.

Advance the education of persons resident in South Marston by the provision of financial assistance in connection with their education.

Proposed Eastern Expansion

When the Trust was originally set up there were approximately 350 houses in the village and the Trustees are acutely aware that they must maintain effective budgeting to be able to continue to support the village. Income for the Trust is derived entirely from the portfolio managed by Brewin Dolphin and the policy is never to let outgoings exceed the income.

The proposed village expansion development by the HHT Consortium of Hallam Land, Hannick Homes and Taylor Wimpey has still not started apart from the commencement of the east/west road from Old Vicarage Lane to Thornhill Road. This is being constructed to alleviate traffic problems on the existing narrow village roads. The project will see 500 new homes added south and southwest of the village and a further 1,800 homes built in the village of Rowborough between Nightingale Wood and the A420. However, at their meeting on 18th November 2021 the Trustees resolved that hampers would only be provided for residents in the existing village. This includes the 2 estates that were built after the Trust was formed, namely The Orchard and Vicarage Gardens increasing the number of properties to 400. Application for grants (apart from hamper requests) from the expanded village would still be considered but not from the 1800 Rowborough development which was not envisaged when the Harris family originally started the Trust.

The delayed village expansion has meant the school expansion has not started yet either. The school currently has 110 places and there are plans to build a further 3 classrooms on the existing site. Eventually over the next 5 years the capacity will treble with an annual intake of up to 45 pupils.

It is envisaged that the village expansion will be completed by 2035. It is also likely that over the next 5 years the new Village Centre will be built but the funding for this has to come from the house sales. Again the Trust are likely to receive applications for grants when this is built for equipment etc., as one of their aims is to provide or contribute towards the provision, maintenance or repair of village facilities available for the residents of South Marston. Section B(ii) of Declaration of Trust dated 2.6.1998.

THE F AND E HARRIS MEMORIAL TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2022

OBJECTIVES AND ACTIVITIES

Significant activities

The activities undertaken by the charity include:

- Annual gift of Christmas hampers to senior citizens of South Marston.
- Provision of transport by Dial-A-Ride for senior citizens of South Marston who do not have their own transport. This includes transport to attend appointments at hospitals, doctors, other medical facilities, dentists and day care centres.
- Provision of transport by Barnes Coaches Ltd one day a week for residents of South Marston to Swindon. This is provided because the public transport to and from the village was terminated.
- Payment of rent for hire of village hall for the Tot-n-Toddlers Group and Youth Clubs.
- Hire of 2 defibrillators from South Western Ambulance Service situated at 2 strategic points in the village.
- In addition to the above regular grants the Trust were able to make the following grants.
- Hire a Barnes Mini bus to transport villagers to the Steam Museum Vaccination Centre to get their Covid vaccinations.
- Prizes for SMILE Christmas competition. (South Marston in lights event). Best decorated village houses with fairy lights.
- A summer outing to the seaside resort of Weymouth.
- Playground equipment. The Trustees approved a further £5,000 grant, in addition to the £20,000. ROSPA rules regarding health and safety of playground equipment have made costs escalate and it is hoped this work will be completed this year.
- Queens Jubilee. £300 grant was approved to help fund various village events. The surplus funds at the end of the event will be sent on Trees and shrubs for the village.
- Grant to St Mary Magdene's Church to pay for the rent of the village hall. This is a monthly meeting run entirely by volunteers for villagers to meet for morning coffee and a get-together.
- Support for South Marston Gardening Club annual flower and produce show.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Funding requests for items above have all been achieved.

Investment performance

Average yield for 2020/2021 was 2.41%. A great result due to the expert management of our Portfolio by Brewin Dolphin.

FINANCIAL REVIEW

Financial position

The Trust Portfolio market valuation at 30/06/2021 was £1,940,129. The estimated annual income per the Trust Portfolio was £46,837, compared to actual income per the portfolio of £45,684. Actual expenditure was £64,610, which includes the sum of £20,000 invested with Brewin Dolphin.

Investment policy and objectives

Brewin Dolphin of Marlborough has successfully managed the Trust Portfolio since the Trust was formed by the Harris Family 20 years ago. They keep a close eye on the investment and keep the Trustees informed of every transaction they carry out. Their aim is to find the lowest level of risk with the highest level of potential return for achieving the Charity's objectives. We have a new Trustee on board, Nigel Hole. Nigel's career was as a Financial Adviser and he will be working closely with Brewin Dolphin.

THE F AND E HARRIS MEMORIAL TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2022

FINANCIAL REVIEW

Reserves policy

The intention is not to expend more income than the Trust receives. A current account balance of not less than £20,000 is maintained. Any surplus funds are reinvested and £20,000 was sent to Brewin Dolphin to invest in March 2022.

Going concern

The Trust Portfolio investment is very diversified and unlikely to cause a problem. Whilst the precise nature of the UK future relationship with the EU remains uncertain Brewin Dolphin are taking steps to ensure they are able to deal with a range of potential outcomes that arise as a result of Brexit. Their teams remain ready to react to any suitable opportunities that may arise from ongoing market volatility so they can continue to provide the best outcomes for our investments and financial objectives.

For most of the past ten years, before Covid, we had reasonable markets conditions on the back of low inflation low interest rates whilst QE was supporting the economy. Covid hit and a recession was created with an initial market shock but this recovered in a reasonable time frame and Growth companies continued to be the driving force behind returns.

Global Markets entered 2022 with the knowledge that there would be the impending withdrawal of the monetary support introduced during the pandemic. This was a known and even though it had some uncertainty, markets were not overly worried. As the year progressed Brewin Dolphin begun to see a move away from the Growth sectors, which have been the driving force of returns for many years, to value sectors. While this was taking place we started to see inflation begin to rise at unexpected pace and concerns grew rapidly that the Federal Reserve would be moving rates higher at a much faster rate than previously anticipated. This has been greatly exacerbated by the dreadful events in Ukraine. Current circumstances are especially challenging as a large part of the inflation we are experiencing is coming not so much from excess demand, which central banks arguably have more influence over, but from the sharp price increases in raw materials. Rises in fuel, energy and raw materials prices are pushing up production costs for companies who are then passing these costs on to consumers in the form of higher prices.

It is not unusual to see markets behave in this way towards the end of an economic cycle, the final phase of the business cycle when an economy slows down and there is an increased risk of entering recession. Such times create challenges for investors as some companies tend to be more exposed than others to declining economic activity. This has led to increased volatility in recent months, particularly within areas of the economy that are likely to be more adversely affected by the increased costs of living. Our investors job is to steer our investments through these bouts of volatility, ensuring they avoid the aforementioned sectors but also not taking undue risk. Interestingly, there are studies analysing the impact of missing the market's best days on a £10,000 investment in the FTSE All Share between May 1989 and April 2022. If you kept your £10,000 invested throughout, it would have grown to £140,287 by the end of the period (assuming dividends were reinvested and before fees). However, if you tried to 'buy low, sell high' and missed the market's 30 best days, your investment would have increased to just £33,872.

Market volatility naturally creates anxiety but it is important to bear the longer term in mind. History has shown that the economy does operate in cycles, and our investors have no doubt that over time we will see that proven again. The stock market has withstood major economic shocks over the years, but in time has recovered and gone on to deliver above-inflation returns over the long term.

Turning to the performance of the portfolio. Looking back from the 1st January 2021 to the 5th Jan 2022 then the net return after was 13.65%. To show the short term market movements on 20th June 2022 then the return has been reduced to a positive return net of costs of 1.6%. Looking back to the beginning of 2019 the return has been 21% in total so about 6% per annum net of costs and that is with the downturn we are in now. So still an attractive return compared to most sensible asset classes.

Looking forward is the real challenge as there remain so many uncertainties, especially with Putin still rampaging war in Ukraine. However, our investors sadly feel that in the short term volatility will remain. Inflation in the UK and the USA may edge higher. Interest rates expectations are on the rise but they do expect inflation to peak at around the end of this year and to then fall sharply and rates will peak in the middle of next year. They expect a recession but it may be a bit of a shallow one and not a repeat of 1970 as wage inflation was over 30% at that point compared to over 4% at the present time. Holding their nerve and staying invested in Quality assets is the best way through these challenging times.

THE F AND E HARRIS MEMORIAL TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH JUNE 2022

FUTURE PLANS

The intention of the Trust is to continue to help the villagers of South Marston the best way they can. The new Vicarage Gardens development of 70 2, 3 and 4-bedroom homes is complete and all houses are occupied. Residents of these houses will be eligible to apply for a hamper when the qualifying criteria is met. Please see Objectives and Activities paragraph above relating to expansion of village.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1070223

Principal address

West Winds
South Marston
SWINDON
Wiltshire
SN3 4RY

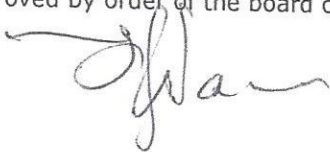
Trustees

Mr Terence Sansum
Mr Richard Sansum
Mrs Mary Cooper
Mrs. Hazel Beaver
Mr. Mark Tidey, Curate (resigned 26 August 2021)
Mr Nigel Hole (appointed 1 September 2021)

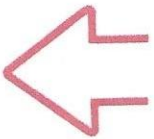
Independent Examiner

Morris Owen
Chartered Accountants
43-45 Devizes Road
SWINDON
Wiltshire
SN1 4BG

Approved by order of the board of trustees on 2nd November 2022 and signed on its behalf by:



Mr T J Sansum - Trustee



**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE F AND E HARRIS MEMORIAL TRUST**

Independent examiner's report to the trustees of The F and E Harris Memorial Trust

I report to the charity trustees of the Trust on my examination of the accounts of The F and E Harris Memorial Trust (the Trust) for the year ended 30th June 2022.

Responsibilities and basis of report

As the charity trustees of the Trust 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 carried out under section 145 of the Act and in carrying out my examination I have followed all 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 giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. 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 any 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.

Mr I Sumber FCCA
Morris Owen
Chartered Accountants
43-45 Devizes Road
SWINDON
Wiltshire
SN1 4BG

Date:

THE F AND E HARRIS MEMORIAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30TH JUNE 2022

		2022 Unrestricted fund £	2021 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Investment income	3	<u>45,579</u>	<u>42,210</u>
EXPENDITURE ON			
Raising funds	4	<u>19,267</u>	<u>13,812</u>
Charitable activities			
Charitable activities		<u>42,544</u>	<u>21,522</u>
Total		<u>61,811</u>	<u>35,334</u>
Net gains/(losses) on investments		<u>(126,504)</u>	<u>299,132</u>
NET INCOME/(EXPENDITURE)		<u>(142,736)</u>	<u>306,008</u>
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>2,103,829</u>	<u>1,797,821</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>1,961,093</u></u>	<u><u>2,103,829</u></u>

The notes form part of these financial statements

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE F AND E HARRIS MEMORIAL TRUST**

Independent examiner's report to the trustees of The F and E Harris Memorial Trust

I report to the charity trustees on my examination of the accounts of The F and E Harris Memorial Trust (the Trust) for the year ended 30th June 2022.

Responsibilities and basis of report

As the charity trustees of the Trust 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 carried out under section 145 of the Act and in carrying out my examination I have followed all 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 giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. 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 any 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.

I. Sumbler

Mr I Sumbler FCCA
Morris Owen
Chartered Accountants
43-45 Devizes Road
SWINDON
Wiltshire
SN1 4BG

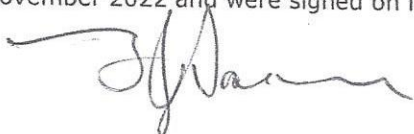
Date: *11. 11. 22*

THE F AND E HARRIS MEMORIAL TRUST

STATEMENT OF FINANCIAL POSITION
30TH JUNE 2022

		2022 Unrestricted fund £	2021 Total funds £
FIXED ASSETS	Notes		
Current Investments	8	1,887,916	2,040,672
CURRENT ASSETS			
Debtors	9	52,213	19,763
Cash at bank		25,189	44,114
		77,402	63,877
CREDITORS			
Amounts falling due within one year	10	(4,225)	(720)
NET CURRENT ASSETS		73,177	63,157
TOTAL ASSETS LESS CURRENT LIABILITIES		1,961,093	2,103,829
NET ASSETS		1,961,093	2,103,829
FUNDS			
Unrestricted funds	11	1,961,093	2,103,829
TOTAL FUNDS		1,961,093	2,103,829

The financial statements were approved by the Board of Trustees and authorised for issue on 2nd November 2022 and were signed on its behalf by:



Mr T J Sansum - Trustee



THE F AND E HARRIS MEMORIAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

1. CHARITY INFORMATION

The charity is unincorporated, formed by a trust deed and registered at the Charity Commission for England & Wales.

The principal place of business is at West Winds, South Marston, Swindon, SN3 4RY.

These financial statements are presented in British Pounds (GBP), which is the charity's functional and presentational currency.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Investments

Investments are held at the market value as at the year end. The gains/losses on revaluation are treated as unrealised gains/losses in the Statement of Financial Activities. The fund manager will purchase and sell investment products to maximise the long term benefit to the charity. The sales proceeds on disposal of an investment are treated as the disposal figure (note 9 to the financial statements) and form part of the unrealised gains/losses in the Statement of Financial Activities.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial instruments

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

THE F AND E HARRIS MEMORIAL TRUST
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2022

2. ACCOUNTING POLICIES - continued

Financial instruments

Short term trade creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. INVESTMENT INCOME

	2022	2021
	£	£
Dividends	45,579	42,210

4. RAISING FUNDS

Investment management costs

	2022	2021
	£	£
Portfolio management	17,141	12,312
Administrative expenses	2,126	1,500
	19,267	13,812

5. SUPPORT COSTS

	Governance costs
	£
Charitable activities	780

Support costs, included in the above, are as follows:

	2022	2021
	Charitable activities	Total activities
	£	£
Accountancy and legal fees	780	720

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30th June 2022 nor for the year ended 30th June 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30th June 2022 nor for the year ended 30th June 2021.

THE F AND E HARRIS MEMORIAL TRUST
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2022

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Investment income	42,210
EXPENDITURE ON	
Raising funds	13,812
Charitable activities	21,522
Total	35,334
Net gains on investments	299,132
NET INCOME	306,008
RECONCILIATION OF FUNDS	
Total funds brought forward	1,797,821
TOTAL FUNDS CARRIED FORWARD	2,103,829

8. CURRENT INVESTMENTS

	Other investment £
MARKET VALUE	
At 1st July 2021	2,040,672
Additions	335,807
Disposals	(362,059)
Revaluations	(126,504)
At 30th June 2022	1,887,916
NET BOOK VALUE	
At 30th June 2022	1,887,916
At 30th June 2021	2,040,672

THE F AND E HARRIS MEMORIAL TRUST
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2022

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	<u>52,213</u>	<u>19,763</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Other creditors	<u>4,225</u>	<u>720</u>

11. MOVEMENT IN FUNDS

	At 1.7.21 £	Net movement in funds £	At 30.6.22 £
Unrestricted funds			
General fund	2,103,829	(142,736)	1,961,093
TOTAL FUNDS	<u>2,103,829</u>	<u>(142,736)</u>	<u>1,961,093</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	45,579	(61,811)	(126,504)	(142,736)
TOTAL FUNDS	<u>45,579</u>	<u>(61,811)</u>	<u>(126,504)</u>	<u>(142,736)</u>

Comparatives for movement in funds

	At 1.7.20 £	Net movement in funds £	At 30.6.21 £
Unrestricted funds			
General fund	1,797,821	306,008	2,103,829
TOTAL FUNDS	<u>1,797,821</u>	<u>306,008</u>	<u>2,103,829</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	42,210	(35,334)	299,132	306,008
TOTAL FUNDS	<u>42,210</u>	<u>(35,334)</u>	<u>299,132</u>	<u>306,008</u>

THE F AND E HARRIS MEMORIAL TRUST
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2022

11. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.7.20 £	Net movement in funds £	At 30.6.22 £
Unrestricted funds			
General fund	1,797,821	163,272	1,961,093
TOTAL FUNDS	<u>1,797,821</u>	<u>163,272</u>	<u>1,961,093</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	87,789	(97,145)	172,628	163,272
TOTAL FUNDS	<u>87,789</u>	<u>(97,145)</u>	<u>172,628</u>	<u>163,272</u>

12. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30th June 2022.

THE F AND E HARRIS MEMORIAL TRUST
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30TH JUNE 2022

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Investment income		
Dividends	<u>45,579</u>	<u>42,210</u>
Total incoming resources	45,579	42,210
EXPENDITURE		
Investment management costs		
Portfolio management	<u>17,141</u>	<u>12,312</u>
Administrative expenses	<u>2,126</u>	<u>1,500</u>
	19,267	13,812
Charitable activities		
Contributions given	<u>41,764</u>	<u>20,802</u>
Support costs		
Governance costs		
Accountancy and legal fees	<u>780</u>	<u>720</u>
Total resources expended	<u>61,811</u>	<u>35,334</u>
Net (expenditure)/income before gains and losses	(16,232)	6,876
Unrealised recognised gains and losses		
Unrealised gains/(losses) on fixed asset investments	<u>(126,504)</u>	<u>299,132</u>
Net (expenditure)/income	<u>(142,736)</u>	<u>306,008</u>

This page does not form part of the statutory financial statements