

Company registration number: 6924825

Trust registration number: 1132249

Fowler Smith & Jones Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 September 2020

Edmund Carr LLP
Chartered Accountants & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

Fowler Smith & Jones Trust

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 6
Independent Auditors' Report	7 to 10
Statement of Financial Activities	11
Balance Sheet	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 to 28

Fowler Smith & Jones Trust

Reference and Administrative Details

Trustees	P J Tolhurst, (Chairman) N S Charrington DL R C L Furlonger G N Jones
Secretary	P J Tolhurst
Principal Office	Third Floor Marlborough House Victoria Road South Chelmsford Essex CM1 1LN The Trust is incorporated in England and Wales.
Company Registration Number	6924825
Charity Registration Number	1132249
Solicitors	Tolhurst Fisher LLP Marlborough House Victoria Road South Chelmsford Essex CM1 1LN
Bankers	Lloyds Bank Plc 77-81 High Street Chelmsford Essex CM1 1LN
Auditor	Edmund Carr LLP Chartered Accountants & Statutory Auditor 146 New London Road Chelmsford Essex CM2 0AW

Fowler Smith & Jones Trust

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 30 September 2020.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 Republic of Ireland published on 16 July 2014.

Trustees

P J Tolhurst, (Chairman)

N S Charrington DL

R C L Furlonger

G N Jones

Objectives and activities

Objects and aims

The object of the charity is to further general charitable causes, particularly in Essex. There have been no changes in the charity's objects or policies during the period. The main object and activity of the Trust is to make grants to groups and projects identified by the trustees and trust administrator.

The Trust achieves these objectives by making grants, the majority of which made in the financial period were to support projects and groups in Essex either directly or through National Charities with specific Essex based projects. The largest group of grants have gone to projects supporting young people, covering a wide diversity of projects and groups within Essex.

The Trust also strongly supports projects involving community projects as well as significant capital projects. The Trust also directly supports a small number of projects overseas.

The Charity does not carry out fundraising.

Public benefit

The activities undertaken to further public benefit are as stated in the Objects and aims section above.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Fowler Smith & Jones Trust

Trustees' Report

Grant making policies

In making Grants the Trust aims to be both very accessible, and flexible, continually looking for groups or projects that not only can make a significant difference to their locality or particular area of activity, but do so in a way that makes it easier for the applicants. Thus we deliberately have no fixed criteria and are averse to a box ticking culture, which can often restrict or inhibit those wishing to do good in society or help those individuals in need of particular help. The Trust also recognises the need for a local charity to help capital projects, and to help the recipients to source funds from other trusts, which it has again been particularly successful in doing during the year.

Achievements and performance

Consistent with the Trust's objectives, during 2019/20 the Trust has been able to increase support for a number of projects in particular for projects involving young people and organisations in the community sector which provide support for the elderly and marginalised with our society.

The Trust continued to support capital projects with substantial grants in the year to September 2020.

Further details of the grants awarded are set out in note 7 to the accounts.

Investment performance

The Trust has, in its investment strategy, continued to both generate substantial income yield, while at the same time maintaining capital value, thus matching the Trustees' Investment Criteria.

Rental income reduced only slightly in the year notwithstanding the impact of the Covid 19 pandemic.

The Trust made a short term loan to another Charity, The Norman Garon Trust, during the period and received an initial 4 % interest yield in return. Part of the loan has been repaid, and the Trust have recently agreed to extend the loan for another year.

Financial review

The income of the Charity Trust amounted to £738,496 during the year, slightly less than the previous year (2019: £745,810). The Trust nevertheless increased the level of grants awarded in the year £648,060 (2019: £570,092).

Policy on reserves

It is the trustees' policy to hold sufficient cash reserves so that at any time it can pay all of the grants it anticipates making during the following eight months. At 30 September 2020 cash reserves held by the charity were £894,208. The charity anticipates grants to be made in the 6 months to 31 March 2021 will amount to £130,000. Cash reserves during 2020 and at 30 September 2020 were significantly above reserves policy levels as the charity continued to seek suitable investment opportunities.

Fowler Smith & Jones Trust

Trustees' Report

Investment policy and objectives

The policy of the trustees is to hold the majority of the Trust's capital assets in commercial freehold investments. During the current financial period the Trust has also held a cash deposit in reserves. In making acquisitions or disposals the trustees take advice from appropriate firms of Chartered Surveyors specialising in commercial investments but the final decision is a matter for the Board of Trustees. Securing long-term income from reliable and substantial tenants is the prime criteria for judging investments. This is matched against the need to achieve an optimum income yield. The Trust's assets are let to a mix of Publicly Quoted Companies and substantial Private Companies and Professional Firms, and reflect a balance of both Prime and Best Secondary Properties.

Structure, governance and management

Nature of governing document

Fowler Smith & Jones Trust is a registered charity and is incorporated as a company limited by guarantee. The charity's objects and regulations are regulated by Memorandum and Articles of Association dated 4th June 2009 being the date of incorporation.

Recruitment and appointment of trustees

Trustees continue to serve until they retire by rotation. The trustees may appoint new trustees pursuant to the Articles. Any induction process for a new trustee shall comprise an initial meeting with the Chairman of the trustees followed by a series of meetings with the other trustees, including a briefing on the history of the Trust, Governing Deed and the Charity Commission's Guidance "The Essential Trustee: What you Need To Know".

Organisational structure

At trustees' meetings the trustees agree the strategy for the Trust including grant making, investment and reserves. The day to day administration of grants and the processing and handling of applications prior to consideration by the trustees is delegated to a trust administrator under the supervision of the Chairman. The Trust administrator makes a thorough evaluation of grant applications and then makes recommendations to the trustees for their final decision. Trustee meetings are held three times a year.

Fowler Smith & Jones Trust

Trustees' Report

Major risks and management of those risks

Loss of income from investments

The charity trustees have considered the major risks to which the charity is exposed, have reviewed those risks and established systems and procedures to manage those risks. The trustees consider a substantial loss of income from the investments of the charity's endowment to constitute the charity's major risk. The trustees review their investments as necessary.

Covid-19 Pandemic

By very active management of the Trust's assets the effects of the pandemic on the Trust's income were minimised. Although there have been delays in receiving all the rents due to the Trust, at the year end there were no arrears.

The Trust was also very proactive in assisting those organisations to which it has previously made grants to help them deal with the challenges they faced, and established an emergency grant procedure within hours of the first lockdown. The trustees are now focusing on longer term help for the sector.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Fowler Smith & Jones Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, 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 principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Fowler Smith & Jones Trust

Trustees' Report

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Edmund Carr LLP as auditors of the Trust is to be proposed at the forthcoming Annual General Meeting.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Disclosure of information to auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The annual report was approved by the trustees of the Trust on 31 March 2021 and signed on their behalf by:

Philip Tolhurst

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P J Tolhurst
Trustee

Fowler Smith & Jones Trust

Independent Auditor's Report to the Members of Fowler Smith & Jones Trust

Opinion

We have audited the financial statements of Fowler Smith & Jones Trust (the charitable company) for the year ended 30 September 2020, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 30 September 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

Fowler Smith & Jones Trust

Independent Auditor's Report to the Members of Fowler Smith & Jones Trust

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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 5), the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Fowler Smith & Jones Trust

Independent Auditor's Report to the Members of Fowler Smith & Jones Trust

Auditor's responsibilities for the audit of the financial statements

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding the scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control we identify during our audit.

Fowler Smith & Jones Trust

Independent Auditor's Report to the Members of Fowler Smith & Jones Trust

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Raymond Crace

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R Crace (Senior Statutory Auditor)

For and on behalf of Edmund Carr LLP, Statutory Auditor

146 New London Road
Chelmsford, Essex, CM2 0AW

20 April 2021

Fowler Smith & Jones Trust

Statement of Financial Activities for the Year Ended 30 September 2020 (Including Income and Expenditure Account)

	Note	Unrestricted funds £	Endowment funds £	Total 2020 £	Total 2019 £
Income and Endowments from:					
Investment income	3	738,496	-	738,496	745,810
Expenditure on:					
Raising funds	4	82,483	-	82,483	114,119
Charitable activities	5	<u>717,558</u>	<u>-</u>	<u>717,558</u>	<u>634,738</u>
Total Expenditure		<u>800,041</u>	<u>-</u>	<u>800,041</u>	<u>748,857</u>
(Deficit)/surplus on investment asset valuations	10	<u>-</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>1,650,000</u>
Net movement in funds		(61,545)	(600,000)	(661,545)	1,646,953
Reconciliation of funds					
Total funds brought forward		<u>414,866</u>	<u>10,861,916</u>	<u>11,276,782</u>	<u>9,629,829</u>
Total funds carried forward	15	<u><u>353,321</u></u>	<u><u>10,261,916</u></u>	<u><u>10,615,237</u></u>	<u><u>11,276,782</u></u>

All of the Trust's activities derive from continuing operations during the above two periods.

Fowler Smith & Jones Trust
(Registration number: 6924825)
Balance Sheet as at 30 September 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	10	10,550,000	11,150,000
Current assets			
Debtors	11	721,254	76,787
Cash at bank and in hand		894,208	1,673,005
		1,615,462	1,749,792
Creditors: Amounts falling due within one year	12	(397,848)	(402,624)
Net current assets		1,217,614	1,347,168
Total assets less current liabilities		11,767,614	12,497,168
Creditors: Amounts falling due after more than one year	13	(1,152,377)	(1,220,386)
Net assets		10,615,237	11,276,782
Funds of the Trust:			
Endowment funds		10,261,916	10,861,916
Unrestricted income funds			
Unrestricted funds		353,321	414,866
Total funds	15	10,615,237	11,276,782

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006.

The financial statements on pages 11 to 28 were approved by the trustees, and authorised for issue on 31 March 2021 and signed on their behalf by:

Philip Tolhurst

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P J Tolhurst
Trustee

Fowler Smith & Jones Trust

Statement of Cash Flows for the Year Ended 30 September 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net movement in funds per SOFA		(661,545)	1,646,953
Adjustments			
Investment income	3	(738,496)	(745,810)
Interest payable	4	46,443	50,942
Revaluation of investment properties	10	<u>600,000</u>	<u>(1,650,000)</u>
		(753,598)	(697,915)
Working capital adjustments			
(Increase)/decrease in debtors	11	(644,467)	65,257
Decrease in creditors	12	(10,990)	(13,178)
Increase in deferred income	13	<u>3,752</u>	<u>9,201</u>
Net cash flows from operating activities		<u>(1,405,303)</u>	<u>(636,635)</u>
Cash flows from investing activities			
Interest receivable and similar income	3	16,000	-
Income from rents		<u>722,496</u>	<u>745,810</u>
Net cash flows from investing activities		<u>738,496</u>	<u>745,810</u>
Cash flows from financing activities			
Interest payable and similar charges	4	(46,443)	(50,942)
Repayment of loans and borrowings	12	<u>(65,547)</u>	<u>(62,992)</u>
Net cash flows from financing activities		<u>(111,990)</u>	<u>(113,934)</u>
Net decrease in cash and cash equivalents		(778,797)	(4,759)
Cash and cash equivalents at 1 October		<u>1,673,005</u>	<u>1,677,764</u>
Cash and cash equivalents at 30 September		<u><u>894,208</u></u>	<u><u>1,673,005</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2020

1 Trust status

The Trust is a charity limited by guarantee and consequently does not have share capital. The charity is incorporated in England and its registered office is Third Floor, Marlborough House, Victoria Road South, Chelmsford, Essex, CM1 1LN. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the Trust in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Fowler Smith & Jones Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charitable company.

Income and endowments

All income is recognised once the charitable company has entitlement to the resources, it is certain that the resources will be received and the monetary value of income can be measured with sufficient reliability. The nature of the charity's income is as follows:

Investment income

Interest received is accounted for on a receivable basis.

Rents and service charges receivable, including insurance, service charges and dilapidation costs receivable, is recognised on an accruals basis. The charitable company has appointed managing agents to collect all income and handle all aspects of the day to day management of its investment properties.

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2020

Deferred income

Deferred income represents amounts received for future periods and is released to income in the period for which, it has been received.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category.

Raising funds

These are costs incurred in the management of investment properties.

Charitable activities

Charitable expenditure comprises those costs incurred by the Trust in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant expenditure

Grants payable represent the amounts paid to third parties at the direction of the Trustees in accordance with the Trust Deed of the charity. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the charitable company.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs

Overhead and support costs have been allocated firstly between charitable activities and governance. Overhead and support costs relating to charitable activities have been apportioned based on staff time spent on each activity.

Governance costs

Governance costs comprise all costs involving the public accountability of the charitable company and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2020

Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Investment properties

Investment properties are held by the charitable company for the purpose of producing income for the charity. Investment properties are capitalised in the Balance Sheet at their fair value at the Balance Sheet date. The fair value of the properties has been calculated having regard to the rental yield and valuation of similar properties.

The statement of financial activities includes any unrealised gains or losses arising on the revaluation and disposals throughout the year.

Trade debtors

Trade debtors are amounts due from tenants for rent and service charges from investment properties.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Trust does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2020

Fund structure

Unrestricted funds comprises those funds which the Trustees are free to use for any purpose in the furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds comprise an expendable endowment fund used by the Trust to generate income for future charitable expenditure.

Pensions and other post retirement obligations

The Trust operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the Trust has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

The charitable company only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charitable company and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

3 Investment income

	Unrestricted funds £	Total 2020 £	Total 2019 £
Loan interest receivable	16,000	16,000	-
Income from rents	722,496	722,496	745,810
	<u>738,496</u>	<u>738,496</u>	<u>745,810</u>

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2020

4 Expenditure on raising funds

a) Investment management costs

	Unrestricted funds £	Total 2020 £	Total 2019 £
Interest payable;			
Interest payable on bank loans	46,443	46,443	50,942
Managing agent's commission	32,556	32,556	32,307
Insurance	340	340	344
Repair and maintenance of investment property	162	162	-
Legal fees	-	-	27,204
Rates and electricity	2,536	2,536	2,994
Bank charges	446	446	328
	<u>82,483</u>	<u>82,483</u>	<u>114,119</u>

5 Expenditure on charitable activities

	Note	Unrestricted funds £	Restricted £	Total 2020 £	Total 2019 £
Grant funding of activities	7	648,060	-	648,060	570,092
Staff costs	6	28,131	-	28,131	25,602
Allocated support costs	6	31,367	-	31,367	29,044
Governance costs	6	10,000	-	10,000	10,000
		<u>717,558</u>	<u>-</u>	<u>717,558</u>	<u>634,738</u>

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2020

6 Analysis of governance and support costs

Support costs allocated to charitable activities

	Governance costs	Staff costs	Administration costs	Total 2020	Total 2019
	£	£	£	£	£
Salaries and wages	-	28,131	-	28,131	25,602
Office expenses	-	-	3,346	3,346	3,099
Service charges	-	-	2,160	2,160	2,160
Bank charges	-	-	-	-	6
Professional fees	-	-	16,000	16,000	16,000
Office rental	-	-	9,860	9,860	7,779
Audit fees	10,000	-	-	10,000	10,000
	<u>10,000</u>	<u>28,131</u>	<u>31,366</u>	<u>69,497</u>	<u>64,646</u>

Governance costs

	Unrestricted funds	Total 2020	Total 2019
	£	£	£
Audit fees			
Audit of the financial statements	6,500	6,500	6,500
Other fees paid to auditors	3,500	3,500	3,500
	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2020

7 Grant-making

Analysis of grants

	Grants to institutions	
	2020	2019
	£	£
Analysis		
Arts	-	8,500
Capital	170,000	168,000
Churches	6,500	6,250
Community	133,920	123,040
Medical/Health	90,850	82,500
Miscellaneous and top up	87,050	47,200
Overseas	3,000	12,240
Youth	156,740	122,362
	<u>648,060</u>	<u>570,092</u>

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2020

Below are details of material grants made to institutions by the Trust.

		2020	2019
Name of institution	Activity supported		£
Chalkwell Bay Seascout Group	Redevelopment and extension of the scout group headquarters.	30,000	
St Peter's Church	Redevelopment of building to create capacity for a wider variety of groups.	25,000	
Debden Village Hall	Major improvement and refurbishment of the Hall building.	25,000	
St Luke's Hospice	Towards fitting out the new Hospice building.	22,500	
Roxwell Church	To replace roof of the church for use by the community.	20,000	
Colchester Arts Centre	Major improvements to the Centre facilities.	20,000	
North Springfield Baptist Church	To construct an extension which will include a new meeting room and toilets.	20,000	
Samaritans Chelmsford & Mid Essex	Refurbishment of the building including the visitors and training room.	12,000	
Sport for Confidence	Grant awarded towards the cost of an administrator for this sports initiative focussing on wider community health benefits.	10,000	
Age Concern	Create a 'One-stop' venue for a wide variety of services and groups in the Westcliff area.		30,000
Warley Scout Group	Rebuilding of the hall for use by Scouts and the wider community.		27,000
Ridgewell Village Hall	Refurbishment of the village hall for community use.		25,000
Goldhanger Village Hall	Refurbishment of hall/toilets/kitchen for community use.		25,000
Stow Maries	Redevelopment of four key buildings, installation of independent water supplies and creation of adventure play areas.		25,000
Langley Community Centre	To construct a new sustainable community centre to replace the existing hall.		20,000

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2020

Cornish Hall End Village Hall	Refurbishment of the village hall for community use.		16,000
Other grants (under £10,000)	Various charitable activities.	463,560	402,092
		<u>648,060</u>	<u>570,092</u>

8 Trustees' remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the Trust during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	27,421	24,479
Social security costs	678	1,123
Pension costs	32	-
	<u>28,131</u>	<u>25,602</u>

The monthly average number of persons (including senior management team) employed by the Trust during the year expressed by head count was as follows:

	2020 No	2019 No
Administration	<u>2</u>	<u>2</u>

No employee received emoluments of more than £60,000 during the year.

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2020

10 Fixed asset investments

	2020 £	2019 £
Investment properties	<u>10,550,000</u>	<u>11,150,000</u>

Investment properties

	Investment properties £
Cost or Valuation	
At 1 October 2019	11,150,000
Revaluation	<u>(600,000)</u>
At 30 September 2020	<u>10,550,000</u>
Net book value	
At 30 September 2020	<u>10,550,000</u>
At 30 September 2019	<u>11,150,000</u>

The historical cost of the investment properties as at the year end is £7,373,903 (2019: £7,373,903).

The property values are reviewed by the trustees and their advisors at the end of each year.

11 Debtors

	2020 £	2019 £
Trade debtors	66,727	72,064
Prepayments	4,527	4,723
Other debtors - loan receivable	<u>650,000</u>	<u>-</u>
	<u>721,254</u>	<u>76,787</u>

Some of the loan receivable may fall due after more than one year.

2020
£

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2020

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans	68,164	65,702
Trade creditors	5,948	9,090
Accruals for grants payable	65,000	77,000
Other taxation and social security	46,279	38,048
Other creditors	26,675	27,324
Accruals	10,000	13,430
Deferred income	175,782	172,030
	<u>397,848</u>	<u>402,624</u>

	2020 £	2019 £
Deferred income at 1 October 2019	172,030	162,829
Resources deferred in the period	175,782	172,030
Amounts released from previous periods	<u>(172,030)</u>	<u>(162,829)</u>
Deferred income at year end	<u>175,782</u>	<u>172,030</u>

Deferred income consists of rental income from investment properties relating to post year end periods.

Bank borrowings

Lloyds Bank business loan is denominated in pound sterling with a nominal interest rate of 4% (2019 - 4%), and the final instalment is due on 17 November 2022. The carrying amount at year end is £1,220,541 (2019 - £1,286,088).

The bank loan is secured against the freehold land and buildings at Unit 4a Castlewood Business Park, Farmwell Lane, Sutton in Ashfield. The bank also holds a debenture incorporating a fixed and floating charge in respect of the loan.

A total balance of £1,070,000 of the loan is to be repaid in full on the maturity date, which is five years after the date the loan started. The remainder of the loan is being paid over 60 monthly instalments with the final instalment also being paid on the maturity date.

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2020

13 Creditors: amounts falling due after one year

	2020 £	2019 £
Bank loans	<u>1,152,377</u>	<u>1,220,386</u>

14 Contingent liabilities

At 30 September 2020 there were no grants that had been awarded but for which conditions had not been met.

15 Funds

Current year:

	Balance at 1 October 2019 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 30 September 2020 £
Unrestricted funds					
Unrestricted funds	414,866	738,496	(800,041)	-	353,321
Endowment funds					
Expendable	<u>10,861,916</u>	<u>-</u>	<u>-</u>	<u>(600,000)</u>	<u>10,261,916</u>
Total funds	<u>11,276,782</u>	<u>738,496</u>	<u>(800,041)</u>	<u>(600,000)</u>	<u>10,615,237</u>

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2020

Prior year:

	Balance at 1 October 2018 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 30 September 2019 £
Unrestricted funds					
Unrestricted funds	417,913	745,810	(748,857)	-	414,866
Endowment funds					
Expendable	<u>9,211,916</u>	<u>-</u>	<u>-</u>	<u>1,650,000</u>	<u>10,861,916</u>
Total funds	<u><u>9,629,829</u></u>	<u><u>745,810</u></u>	<u><u>(748,857)</u></u>	<u><u>1,650,000</u></u>	<u><u>11,276,782</u></u>

The specific purposes for which the funds are to be applied are as follows:

The expendable endowment fund represents the original trust fund capital from 1969, as amended by the incorporation of Fowler Smith & Jones Trust, adjusted for capital movements and transfers permitted under the terms of the deed.

The original trust fund capital is retained by the trustees to generate income for future charitable expenditure. Included in the expendable endowments is an unrealised fair value reserve of £3,176,097 (2019: £3,776,097), which represents the value of investment properties above their original cost.

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2020

16 Analysis of net assets between funds

	Unrestricted funds £	Expendable endowment funds £	Total funds at 30 September 2019 £
Fixed asset investments	288,084	10,261,916	10,550,000
Current assets	1,615,462	-	1,615,462
Current liabilities	(397,848)	-	(397,848)
Creditors over 1 year	(1,152,377)	-	(1,152,377)
Total net assets	<u>353,321</u>	<u>10,261,916</u>	<u>10,615,237</u>

	Unrestricted funds £	Expendable endowment funds £	Total funds at 30 September 2019 £
Fixed asset investments	288,084	10,861,916	11,150,000
Current assets	1,749,792	-	1,749,792
Current liabilities	(402,624)	-	(402,624)
Creditors over 1 year	(1,220,386)	-	(1,220,386)
Total net assets	<u>414,866</u>	<u>10,861,916</u>	<u>11,276,782</u>

17 Related party transactions

During the year the Trust made the following related party transactions:

Marlborough House Partners LLP

(Mr P J Tolhurst is a partner of Marlborough House Partners LLP)

During the year a total of £48,856 (2019: £49,267) was paid to Marlborough House Partners LLP for accounting services, portfolio management and property agent collection fees. At the balance sheet date the amount due to/from Marlborough House Partners LLP was £Nil (2019 - £Nil).

Marlborough House (Chelmsford) Limited

(Mr P J Tolhurst is a director of Marlborough House (Chelmsford) Limited)

During the year a total of £10,866 (2019: £6,645) was paid to Marlborough House (Chelmsford) Limited for insurance, rent and services charges for the Marlborough House office. At the balance sheet date the amount due to Marlborough House (Chelmsford) Limited was £1,299 (2019 - £3,430).

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2020

18 Prior year Statement of Financial Activities

	Unrestricted £	Endowment £	Total 2019 £
Income and Endowments from:			
Investment income	745,810	-	745,810
Total income	745,810	-	745,810
Expenditure on:			
Raising funds	114,119	-	114,119
Charitable activities	634,738	-	634,738
Total expenditure	748,857	-	748,857
Other recognised gains and losses	-	1,650,000	1,650,000
Net (expenditure)/income	(3,047)	1,650,000	1,646,953
Net movement in funds	(3,047)	1,650,000	1,646,953
Reconciliation of funds			
Total funds brought forward	417,913	9,211,916	9,629,829
Total funds carried forward	414,866	10,861,916	11,276,782