

Company registration number: 06924825

Trust registration number: 1132249

Fowler Smith & Jones Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 September 2021

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

Fowler Smith & Jones Trust

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Fowler Smith & Jones Trust

Reference and Administrative Details

Trustees	P J Tolhurst, (Chairman) N S Charrington DL R C L Furlonger G N Jones L E Bettley (appointed 9 June 2021)
Secretary	P J Tolhurst
Charity Registration Number	1132249
Company Registration Number	06924825
Principal Office	The Trust is incorporated in England and Wales. Third Floor Marlborough House Victoria Road South Chelmsford Essex CM1 1LN
Auditor	Edmund Carr LLP Chartered Accountants & Statutory Auditor 146 New London Road Chelmsford Essex CM2 0AW
Solicitors:	Tolhurst Fisher LLP 8-10 Nelson Street Southend on Sea Essex SS1 1EF
Bankers	Lloyds Bank Plc 77-81 High Street Chelmsford Essex CM1 1LN

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 2021.

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.

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.

Grant making policies

In making Grants the Trust aims to be both very accessible and flexible, and continually looks for groups or projects that can make a significant difference to their locality or particular area of activity. We deliberately have no fixed criteria and do not follow a prescriptive or box ticking assessment of applications. Any group wishing to make a difference, do good in society, or help those in particular need may apply even if they are only small or are just starting up. Conversely the Trust also recognises the need of local charities for help with capital projects, and in addition to making grants or other financial assistance, will help successful recipients to source funds from other trusts.

Fowler Smith & Jones Trust

Trustees' Report

Achievements and performance

Consistent with the Trust's objectives, during 2020-21 the Trust has continued supporting a number of projects and groups, in particular those involving Community, Medical and Youth projects.

The pandemic has caused most capital projects to be delayed or even deferred, but the Trust nevertheless continued to support such projects both with grants and ongoing fundraising support. Some projects have now been deferred indefinitely, and so any commitment liability is no longer included for them.

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 looking to maintain capital value, in accordance with the Trustees' Investment Criteria.

Rental income reduced only slightly in the year, due to the impact of the Covid 19 pandemic. Assistance was given to one particular retail tenant in exchange for their continuing with their Lease. All rents due for the period to the year end have been paid and there are no arrears. The investment values have been reduced to reflect the temporary reduction arrangement.

In 2020, the Trust made a short term loan to another Charity, The Norman Garon Trust, and received an initial 4% interest yield in return, which reduced in the period as rates fell. The Loan is secured. One half of the original loan has now been repaid.

Financial review

The income of the Charity Trust amounted to £732,433 during the year, slightly less than the previous year (2020: £738,496). Due to the substantial reduction in Capital Grants being made or committed to, the total of grants made has reduced. The Trust also noted that substantial sums have been pumped into the Sector from, for example, Government and the National lottery, and that this support is likely to reduce or cease next April. It therefore anticipates a significant increase in requests for funds in the coming year.

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 2021 cash reserves held by the charity were £850,296. The charity anticipates grants to be made in the 6 months to 31 March 2022 will amount to £200,000, but applications for Capital Grants may increase that figure. It also anticipates that there will be substantial additional requests for funds in the second half of the year. The Trust has also offered to provide a bridging loan for a homeless charity to acquire a significant property, and that finance has just been taken up. Cash balances held during 2021 and at 30 September 2021 were significantly above reserves policy levels as the charity continued to seek suitable new investment opportunities. Nevertheless the Trust reduced longer term debt by £244,000 during the period.

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

Small companies provision statement

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

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.

The annual report was approved by the trustees of the Trust on 17 February 2022 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 2021, 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 2021 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 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' report. 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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Fowler Smith & Jones Trust

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

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.

Auditor 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Fowler Smith & Jones Trust

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows;

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations for the company, including the Companies Act 2006, Charities Act 2011, tax and employment legislation.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by;

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- Considering the internal controls in place to mitigate the risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Tested journal entries to identify unusual transactions.
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation.
- Reading the minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation and claims.

Fowler Smith & Jones Trust

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charitable company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charitable company audit. We remain solely responsible for our audit opinion.

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

23 February 2022

Fowler Smith & Jones Trust

Statement of Financial Activities for the Year Ended 30 September 2021 (Including Income and Expenditure Account)

	Note	Unrestricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
Income and Endowments from:					
Investment income	3	732,433	-	732,433	738,496
Expenditure on:					
Raising funds	4	99,610	-	99,610	82,483
Charitable activities	5	<u>474,726</u>	<u>-</u>	<u>474,726</u>	<u>717,558</u>
Total Expenditure		<u>574,336</u>	<u>-</u>	<u>574,336</u>	<u>800,041</u>
(Deficit)/surplus on investment asset valuations	10	<u>-</u>	<u>(800,000)</u>	<u>(800,000)</u>	<u>(600,000)</u>
Net movement in funds		158,097	(800,000)	(641,903)	(661,545)
Reconciliation of funds					
Total funds brought forward		<u>353,321</u>	<u>10,261,916</u>	<u>10,615,237</u>	<u>11,276,782</u>
Total funds carried forward	15	<u><u>511,418</u></u>	<u><u>9,461,916</u></u>	<u><u>9,973,334</u></u>	<u><u>10,615,237</u></u>

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

Fowler Smith & Jones Trust
(Registration number: 06924825)
Balance Sheet as at 30 September 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	10	9,750,000	10,550,000
Current assets			
Debtors	11	697,175	721,254
Cash at bank and in hand		<u>850,296</u>	<u>894,208</u>
		1,547,471	1,615,462
Creditors: Amounts falling due within one year	12	<u>(383,080)</u>	<u>(397,848)</u>
Net current assets		<u>1,164,391</u>	<u>1,217,614</u>
Total assets less current liabilities		10,914,391	11,767,614
Creditors: Amounts falling due after more than one year	13	<u>(941,057)</u>	<u>(1,152,377)</u>
Net assets		<u><u>9,973,334</u></u>	<u><u>10,615,237</u></u>
Funds of the Trust:			
Endowment funds		9,461,916	10,261,916
Unrestricted income funds			
Unrestricted funds		<u>511,418</u>	<u>353,321</u>
Total funds	15	<u><u>9,973,334</u></u>	<u><u>10,615,237</u></u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 13 to 30 were approved by the trustees, and authorised for issue on 17 February 2022 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 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net movement in funds per SOFA		(641,903)	(661,545)
Adjustments			
Investment income	3	(732,433)	(738,496)
Interest payable	4	37,363	46,443
Revaluation of investment properties	10	800,000	600,000
		(536,973)	(753,598)
Working capital adjustments			
Decrease/(increase) in debtors	11	24,079	(644,467)
Increase/(decrease) in creditors	12	31,814	(10,990)
(Decrease)/increase in deferred income	13	(13,891)	3,752
Net cash flows from operating activities		(494,971)	(1,405,303)
Cash flows from investing activities			
Interest receivable and similar income	3	17,750	16,000
Income from rents		714,683	722,496
Net cash flows from investing activities		732,433	738,496
Cash flows from financing activities			
Interest payable and similar charges	4	(37,363)	(46,443)
Repayment of loans and borrowings	12	(244,011)	(65,547)
Net cash flows from financing activities		(281,374)	(111,990)
Net decrease in cash and cash equivalents		(43,912)	(778,797)
Cash and cash equivalents at 1 October		894,208	1,673,005
Cash and cash equivalents at 30 September		850,296	894,208

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 2021

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 2021

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 2021

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 2021

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.

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

3 Investment income

	Unrestricted funds £	Total 2021 £	Total 2020 £
Loan interest receivable	17,750	17,750	16,000
Income from rents	714,683	714,683	722,496
	<u>732,433</u>	<u>732,433</u>	<u>738,496</u>

4 Expenditure on raising funds

a) Investment management costs

	Unrestricted funds £	Total 2021 £	Total 2020 £
Interest payable;			
Interest payable on bank loans	37,363	37,363	46,443
Managing agent's commission	31,437	31,437	32,556
Insurance	1,404	1,404	340
Repair and maintenance of investment property	661	661	162
Legal fees	21,566	21,566	-
Rates and electricity	6,658	6,658	2,536
Bank charges	521	521	446
	<u>99,610</u>	<u>99,610</u>	<u>82,483</u>

5 Expenditure on charitable activities

	Note	Unrestricted funds £	Restricted £	Total 2021 £	Total 2020 £
Grant funding of activities	7	408,500	-	408,500	648,060
Staff costs	6	26,177	-	26,177	28,131
Allocated support costs	6	30,049	-	30,049	31,367
Governance costs	6	10,000	-	10,000	10,000
		<u>474,726</u>	<u>-</u>	<u>474,726</u>	<u>717,558</u>

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

6 Analysis of governance and support costs

Support costs allocated to charitable activities

	Governance costs £	Staff costs £	Administration costs £	Total 2021 £	Total 2020 £
Salaries and wages	-	26,177	-	26,177	28,131
Office expenses	-	-	2,029	2,029	3,347
Service charges	-	-	2,160	2,160	2,160
Professional fees	-	-	16,000	16,000	16,000
Office rental	-	-	9,860	9,860	9,860
Audit fees	10,000	-	-	10,000	10,000
	<u>10,000</u>	<u>26,177</u>	<u>30,049</u>	<u>66,226</u>	<u>69,498</u>

Governance costs

	Unrestricted funds £	Total 2021 £	Total 2020 £
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 2021

7 Grant-making

Analysis of grants

	Grants to institutions	
	2021 £	2020 £
Analysis		
Arts	4,000	-
Capital	50,000	170,000
Churches	16,500	6,500
Community	94,700	133,920
Medical/Health	74,500	90,850
Miscellaneous and top up	75,000	87,050
Overseas	8,000	3,000
Youth	85,800	156,740
	<u>408,500</u>	<u>648,060</u>

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

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

Name of institution	Activity supported	2021	2020 £
Kids Inspire	Towards a new building for the use by the charity.	30,000	
All Saints Church Great Oakley	Towards new roof and re-ordering of the interior.	20,000	
St Clare Hospice	Grant awarded for covid emergency support.	10,000	
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 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
Other grants (under £10,000)	Various charitable activities.	348,500	463,560
		408,500	648,060

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

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:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	26,082	27,421
Social security costs	-	678
Pension costs	95	32
	<u>26,177</u>	<u>28,131</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:

	2021 No	2020 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 2021

10 Fixed asset investments

	2021 £	2020 £
Investment properties	<u>9,750,000</u>	<u>10,550,000</u>

Investment properties

	Investment properties £
Cost or Valuation	
At 1 October 2020	10,550,000
Revaluation	<u>(800,000)</u>
At 30 September 2021	<u>9,750,000</u>
Net book value	
At 30 September 2021	<u>9,750,000</u>
At 30 September 2020	<u>10,550,000</u>

The historical cost of the investment properties as at the year end is £7,373,903 (2020: £7,373,903).

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

11 Debtors

	2021 £	2020 £
Trade debtors	194,741	66,727
Prepayments	2,434	4,527
Other debtors - loan receivable	<u>500,000</u>	<u>650,000</u>
	<u>697,175</u>	<u>721,254</u>

The loan is repayable on demand.

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	35,473	68,164
Trade creditors	5,310	5,948
Accruals for grants payable	75,000	65,000
Other taxation and social security	68,820	46,279
Other creditors	26,586	26,675
Accruals	10,000	10,000
Deferred income	161,891	175,782
	<u>383,080</u>	<u>397,848</u>

	2021 £	2020 £
Deferred income at 1 October 2020	175,782	172,030
Resources deferred in the period	161,891	175,782
Amounts released from previous periods	<u>(175,782)</u>	<u>(172,030)</u>
Deferred income at year end	<u>161,891</u>	<u>175,782</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% (2020 - 4%), and the final instalment is due on 17 November 2022. The carrying amount at year end is £976,530 (2020 - £1,220,541).

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 £935,000 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 2021

13 Creditors: amounts falling due after one year

	2021 £	2020 £
Bank loans	<u>941,057</u>	<u>1,152,377</u>

14 Contingent liabilities

At 30 September 2021 there were no grants that had been awarded but for which conditions had not been met.

15 Funds

Current year:

	Balance at 1 October 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 30 September 2021 £
Unrestricted funds					
Unrestricted funds	353,321	732,433	(574,336)	-	511,418
Endowment funds					
Expendable	<u>10,261,916</u>	<u>-</u>	<u>-</u>	<u>(800,000)</u>	<u>9,461,916</u>
Total funds	<u>10,615,237</u>	<u>732,433</u>	<u>(574,336)</u>	<u>(800,000)</u>	<u>9,973,334</u>

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

Prior 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	10,861,916	-	-	(600,000)	10,261,916
Total funds	<u>11,276,782</u>	<u>738,496</u>	<u>(800,041)</u>	<u>(600,000)</u>	<u>10,615,237</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 £2,376,097 (2020: £3,176,097), 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 2021

16 Analysis of net assets between funds

	Unrestricted funds £	Expendable endowment funds £	Total funds at 30 September 2021 £
Fixed asset investments	288,084	9,461,916	9,750,000
Current assets	1,547,471	-	1,547,471
Current liabilities	(383,080)	-	(383,080)
Creditors over 1 year	(941,057)	-	(941,057)
Total net assets	<u>511,418</u>	<u>9,461,916</u>	<u>9,973,334</u>

	Unrestricted funds £	Expendable endowment funds £	Total funds at 30 September 2020 £
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>

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 £48,287 (2020: £48,856) 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 (2020 - £Nil).

Marlborough House (Chelmsford) Limited

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

During the year a total of £11,510 (2020: £10,866) 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 £651 (2020 - £1,299).

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2021

18 Prior year Statement of Financial Activities

	Unrestricted £	Endowment £	Total 2020 £
Income and Endowments from:			
Investment income	738,496	-	738,496
Total income	738,496	-	738,496
Expenditure on:			
Raising funds	82,483	-	82,483
Charitable activities	717,558	-	717,558
Total expenditure	800,041	-	800,041
Other recognised gains and losses	-	(600,000)	(600,000)
Net expenditure	(61,545)	(600,000)	(661,545)
Net movement in funds	(61,545)	(600,000)	(661,545)
Reconciliation of funds			
Total funds brought forward	414,866	10,861,916	11,276,782
Total funds carried forward	353,321	10,261,916	10,615,237