

Company registration number: 06924825
Charitable company registration number: 1132249

Fowler Smith & Jones Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 September 2022

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 5
Independent Auditor's Report (Charities Act)	6 to 9
Statement of Financial Activities	10
Balance Sheet	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 to 26

Fowler Smith & Jones Trust

Reference and Administrative Details

Trustees	P J Tolhurst, (Chairman) N S Charrington DL R C L Furlonger L E Bettley
Secretary	P J Tolhurst
Principal Office	Third Floor Marlborough House Victoria Road South Chelmsford Essex CM1 1LN The charitable company is incorporated in England and Wales.
Charity Registration Number	1132249
Company Registration Number	06924825
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
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 of the charitable company for the year ended 30 September 2022.

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 2021-22 the Trust has continued supporting a number of projects and groups, in particular those involving Community, Medical and Youth projects.

Several capital projects which the trust had agreed to support have, partly as a consequence of the Coronavirus Pandemic, been 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 for an indefinite period. Grants awarded are classified as contingent liabilities (Note 15) where there is significant uncertainty as to whether the project will proceed.

Further details of the grants awarded are set out in note 8 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. All rents due for the period to the year end have been paid and there are no arrears. The investment values have been increased to reflect third party interest in two of the Trust's assets.

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. The Loan is secured. Most of the original loan has now been repaid. In 2022 the Trust made a bridging loan to Off The Streets Charity to enable it to buy premises to convert to provide accommodation for homeless people. The Loan is secured and interest bearing and the new facility is expected to open this Spring.

Financial review

The income of the Charity Trust amounted to £714,755 during the year, slightly less than the previous year (2021: £732,433). The total of grants made during the period increased to £539,885 from £408,000 in 2021.

Policy on reserves

It has been 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 2022 cash reserves held by the charity were £639,068. The charity anticipates grants to be made in the 6 months to 31 March 2023 will amount to £180,000. Despite substantially reducing its indebtedness to Lloyds Bank during the period, the Bank advised the Trust just before the year end that it would not be able to continue its loan facilities despite previous assurances that it would do so. Since the year end the Trust has substantially reduced its indebtedness to the Bank and expects to clear the loan by May. However as a consequence it will no longer hold cash reserves to the same levels as previously. The Trustees are therefore looking to realise one or more of their investments.

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. Since the year end the Trustees have resolved to dispose of one or more of its investments.

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.

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.

Fowler Smith & Jones Trust

Trustees' Report

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the incoming resources and application of resources, including its income and expenditure, of the charitable company 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 (FRS102);
- 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 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.

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.

Small companies provision statement

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

Compliance with prevailing laws and regulations

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.

The annual report was approved by the trustees of the charitable company on 21 March 2023 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 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including 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 2022 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 5, the trustees (who are also the 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 charitable 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.

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.

Fowler Smith & Jones Trust

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Edmund Carr LLP

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Edmund Carr LLP
Statutory Auditor

146 New London Road
Chelmsford
Essex
CM2 0AW

22 March 2023

Edmund Carr LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Fowler Smith & Jones Trust

Statement of Financial Activities for the Year Ended 30 September 2022 (Including Income and Expenditure Account)

	Note	Unrestricted funds £	Endowment funds £	Total 2022 £	Total 2021 £
Income and Endowments from:					
Donations and legacies	3	26,115	-	26,115	-
Investment income	4	688,640	-	688,640	732,433
Total Income		<u>714,755</u>	<u>-</u>	<u>714,755</u>	<u>732,433</u>
Expenditure on:					
Raising funds	5	105,543	-	105,543	99,610
Charitable activities	6	610,662	-	610,662	474,726
Total Expenditure		<u>716,205</u>	<u>-</u>	<u>716,205</u>	<u>574,336</u>
(Deficit)/surplus on investment asset valuations	11	<u>-</u>	<u>755,000</u>	<u>755,000</u>	<u>(800,000)</u>
Net movement in funds		(1,450)	755,000	753,550	(641,903)
Reconciliation of funds					
Total funds brought forward		<u>511,418</u>	<u>9,461,916</u>	<u>9,973,334</u>	<u>10,615,237</u>
Total funds carried forward	16	<u>509,968</u>	<u>10,216,916</u>	<u>10,726,884</u>	<u>9,973,334</u>

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

Fowler Smith & Jones Trust
(Registration number: 06924825)
Balance Sheet as at 30 September 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	11	10,505,000	9,750,000
Current assets			
Debtors	12	839,804	697,175
Cash at bank and in hand		<u>639,068</u>	<u>850,296</u>
		1,478,872	1,547,471
Creditors: Amounts falling due within one year	13	<u>(1,256,988)</u>	<u>(383,080)</u>
Net current assets		<u>221,884</u>	<u>1,164,391</u>
Total assets less current liabilities		10,726,884	10,914,391
Creditors: Amounts falling due after more than one year	14	<u>-</u>	<u>(941,057)</u>
Net assets		<u><u>10,726,884</u></u>	<u><u>9,973,334</u></u>
Funds of the charitable company:			
Endowment funds		10,216,916	9,461,916
Unrestricted income funds			
Unrestricted funds		<u>509,968</u>	<u>511,418</u>
Total funds	16	<u><u>10,726,884</u></u>	<u><u>9,973,334</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.

For the financial year ending 30 September 2022 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 10 to 26 were approved by the trustees, and authorised for issue on 21 March 2023 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 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net movement in funds per SOFA		753,550	(641,903)
Adjustments			
Investment income	4	(688,640)	(732,433)
Interest payable	5	37,482	37,363
Revaluation of investment properties	11	<u>(755,000)</u>	<u>800,000</u>
		(652,608)	(536,973)
Working capital adjustments			
(Increase)/decrease in debtors	12	(142,629)	24,079
(Decrease)/increase in creditors	13	(32,033)	31,814
Increase/(decrease) in deferred income	14	<u>358</u>	<u>(13,891)</u>
Net cash flows from operating activities		<u>(826,912)</u>	<u>(494,971)</u>
Cash flows from investing activities			
Interest receivable and similar income	4	14,767	17,750
Income from rents		<u>673,873</u>	<u>714,683</u>
Net cash flows from investing activities		<u>688,640</u>	<u>732,433</u>
Cash flows from financing activities			
Interest payable and similar charges	5	(37,482)	(37,363)
Repayment of loans and borrowings	13	<u>(35,474)</u>	<u>(244,011)</u>
Net cash flows from financing activities		<u>(72,956)</u>	<u>(281,374)</u>
Net decrease in cash and cash equivalents		(211,228)	(43,912)
Cash and cash equivalents at 1 October		<u>850,296</u>	<u>894,208</u>
Cash and cash equivalents at 30 September		<u><u>639,068</u></u>	<u><u>850,296</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 2022

1 Charitable company status

The charitable company 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 charitable company 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:

Grants receivable

Grants are recognised when the charitable company has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2022

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.

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 charitable company 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 2022

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 charitable company 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 2022

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 charitable company operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charitable company 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 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Grants receivable	26,115	-	26,115	-
	<u>26,115</u>	<u>-</u>	<u>26,115</u>	<u>-</u>

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2022

4 Investment income

	Unrestricted funds £	Total 2022 £	Total 2021 £
Loan interest receivable	14,767	14,767	17,750
Income from rents	673,873	673,873	714,683
	<u>688,640</u>	<u>688,640</u>	<u>732,433</u>

5 Expenditure on raising funds

Investment management costs

	Unrestricted funds £	Total 2022 £	Total 2021 £
Interest payable;			
Interest payable on bank loans	37,482	37,482	37,363
Managing agent's commission	33,012	33,012	31,437
Insurance	419	419	1,404
Repair and maintenance of investment property	9,082	9,082	661
Legal fees	17,201	17,201	21,566
Rates and electricity	7,843	7,843	6,658
Bank charges	504	504	521
	<u>105,543</u>	<u>105,543</u>	<u>99,610</u>

6 Expenditure on charitable activities

	Note	Unrestricted funds £	Restricted £	Total 2022 £	Total 2021 £
Grant funding of activities	8	539,885	-	539,885	408,500
Staff costs	7	25,812	-	25,812	26,177
Allocated support costs	7	34,465	-	34,465	30,049
Governance costs	7	10,500	-	10,500	10,000
		<u>610,662</u>	<u>-</u>	<u>610,662</u>	<u>474,726</u>

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2022

7 Analysis of governance and support costs

Support costs allocated to charitable activities

	Governance costs £	Staff costs £	Administration costs £	Total 2022 £	Total 2021 £
Salaries and wages	-	25,812	-	25,812	26,177
Office expenses	-	-	3,352	3,352	2,029
Service charges	-	-	5,253	5,253	2,160
Professional fees	-	-	16,000	16,000	16,000
Office rental	-	-	9,860	9,860	9,860
Audit fees	10,500	-	-	10,500	10,000
	<u>10,500</u>	<u>25,812</u>	<u>34,465</u>	<u>70,777</u>	<u>66,226</u>

Governance costs

	Unrestricted funds £	Total 2022 £	Total 2021 £
Audit fees			
Audit of the financial statements	6,825	6,825	6,500
Other fees paid to auditors	3,675	3,675	3,500
	<u>10,500</u>	<u>10,500</u>	<u>10,000</u>

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2022

8 Grant-making

Analysis of grants

	Grants to institutions	
	2022	2021
	£	£
Analysis		
Arts	5,500	4,000
Capital	95,000	50,000
Churches	25,500	16,500
Community	94,600	94,700
Medical/Health	96,170	74,500
Miscellaneous and top up	80,065	75,000
Overseas	3,000	8,000
Youth	140,050	85,800
	<u>539,885</u>	<u>408,500</u>

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

Name of institution	Activity supported	2022	2021
		£	£
SHARE	Towards the establishment of a new centre for 16-25 year olds.	20,000	-
FACT	Towards piling and new accesible entrance to residential activity centre.	30,000	-
BCCS	Towards refurbishment of a building for the use by the charity.	20,000	-
Trust Links	Towards a therapeutic gardening community project.	20,000	-
Sawyers Church Brentwood	Towards a rebuild of the Evangelical church.	30,000	-
HARP Southend	Towards a new 50 bed development to house the homeless.	30,000	-
Other grants	Various charitable activities.	389,885	408,500
		<u>539,885</u>	<u>408,500</u>

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2022

9 Trustees' remuneration and expenses

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

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

10 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	25,598	26,082
Pension costs	214	95
	<u>25,812</u>	<u>26,177</u>

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

	2022 No	2021 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 2022

11 Fixed asset investments

	2022 £	2021 £
Investment properties	<u>10,505,000</u>	<u>9,750,000</u>

Investment properties

	Investment properties £
Cost or Valuation	
At 1 October 2021	9,750,000
Revaluation	<u>755,000</u>
At 30 September 2022	<u>10,505,000</u>
Net book value	
At 30 September 2022	<u>10,505,000</u>
At 30 September 2021	<u>9,750,000</u>

The historical cost of the investment properties as at the year end is £7,373,903 (2021: £7,373,903).

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

12 Debtors

	2022 £	2021 £
Trade debtors	137,046	194,741
Prepayments	2,758	2,434
Other debtors - loans receivable	<u>700,000</u>	<u>500,000</u>
	<u>839,804</u>	<u>697,175</u>

Included in Other debtors - loans receivable is £400,000 that is due after more than one year (2021 - nil).

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2022

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	941,056	35,473
Trade creditors	5,567	5,310
Accruals for grants payable	70,000	75,000
Other taxation and social security	41,549	68,820
Other creditors	26,067	26,586
Accruals	10,500	10,000
Deferred income	162,249	161,891
	<u>1,256,988</u>	<u>383,080</u>

	2022 £	2021 £
Deferred income at 1 October 2021	161,891	175,782
Resources deferred in the period	162,249	161,891
Amounts released from previous periods	<u>(161,891)</u>	<u>(175,782)</u>
Deferred income at year end	<u>162,249</u>	<u>161,891</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% (2021 - 4%). The carrying amount at year end is £941,056 (2021 - £976,530).

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.

The Trustees anticipate that the loan will be repaid by May 2023.

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2022

14 Creditors: amounts falling due after one year

	2022 £	2021 £
Bank loans	-	941,057

15 Contingent liabilities

At 30 September 2022 capital grants of £100,000 had been awarded for which conditions for recognition as expenditure in the year had not been met. (2021: Nil)

16 Funds

	Balance at 1 October 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 30 September 2022 £
Unrestricted funds					
General reserves	511,418	688,640	(690,940)	-	509,118
Designated funds					
Norman Garon Fund	-	26,115	(25,265)	-	850
Total Unrestricted	<u>511,418</u>	<u>714,755</u>	<u>(716,205)</u>	<u>-</u>	<u>509,968</u>
Endowment					
Expendable					
Expendable endowment fund	9,461,916	-	-	755,000	10,216,916
	<u>9,461,916</u>	<u>-</u>	<u>-</u>	<u>755,000</u>	<u>10,216,916</u>
Total funds	<u>9,973,334</u>	<u>714,755</u>	<u>(716,205)</u>	<u>755,000</u>	<u>10,726,884</u>

	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	10,261,916	-	-	(800,000)	9,461,916
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 2022

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

The Norman Garon Fund - funds received from the Norman Garon Trust to support projects and groups involving young people in Essex.

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 £3,131,097 (2021: £2,376,097), 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 2022

17 Analysis of net assets between funds

	Unrestricted funds £	Expendable endowment funds £	Total funds at 30 September 2022 £
Fixed asset investments	288,084	10,216,916	10,505,000
Current assets	1,478,872	-	1,478,872
Current liabilities	(1,256,988)	-	(1,256,988)
Total net assets	<u>509,968</u>	<u>10,216,916</u>	<u>10,726,884</u>

	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>

18 Related party transactions

During the year the charitable company 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 £61,162 (2021: £48,287) 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 Marlborough House Partners LLP was £777 (2021 - £Nil).

Marlborough House (Chelmsford) Limited

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

During the year a total of £16,149 (2021: £11,510) 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/from to Marlborough House (Chelmsford) Limited was £Nil (2021 - £651).

Fowler Smith & Jones Trust

Notes to the Financial Statements for the Year Ended 30 September 2022

19 Prior year Statement of Financial Activities

	Unrestricted £	Endowment £	Total 2021 £
Income and Endowments from:			
Investment income	732,433	-	732,433
Total income	732,433	-	732,433
Expenditure on:			
Raising funds	99,610	-	99,610
Charitable activities	474,726	-	474,726
Total expenditure	574,336	-	574,336
Other recognised gains and losses	-	(800,000)	(800,000)
Net income/(expenditure)	158,097	(800,000)	(641,903)
Net movement in funds	158,097	(800,000)	(641,903)
Reconciliation of funds			
Total funds brought forward	353,321	10,261,916	10,615,237
Total funds carried forward	511,418	9,461,916	9,973,334