

THE JOHN SMITH TRUST

England & Wales · Charity number 1174898

Details

Status	Registered
Legal form	Charitable company
Company number	07284602
Registered	2017-09-29
Register	View on the Charity Commission register

Contact

Address	3rd Floor Suite 207 Regent Street London W1B 3HH
Phone	+447713011893
Email	admin@johnsmithtrust.org
Website	www.johnsmithtrust.org

Activities

Objects: TO ADVANCE EDUCATION FOR THE BENEFIT OF THE PUBLIC IN THE UK AND ABROAD IN POLITICAL SCIENCES, IN PARTICULAR IN RELATION TO DEMOCRATIC SYSTEMS OF GOVERNMENT, SOCIAL JUSTICE AND THE RULE OF LAW. IT WILL DO THIS BY:•RUNNING FELLOWSHIP PROGRAMMES THAT GIVE YOUNG PRESENT AND FUTURE LEADERS THE OPPORTUNITY TO EXPLORE ISSUES OF GOVERNANCE, RULE OF LAW AND SOCIAL JUSTICE;•PROVIDING LECTURES, CONFERENCES, SEMINARS, AND PUBLICATIONS;•CONDUCTING OR COMMISSIONING RESEARCH AND PUBLISHING THE RESULTS OF SUCH RESEARCH;•MAINTAINING AN ACTIVE WORLDWIDE NETWORK OF ALUMNI TO SHARE EXPERIENCE AND LEARNING ACROSS BORDERS.

Activities: To advance education in relation to democratic systems of government, social justice and the rule of law by? Running fellowship programmes that give young present and future leaders the opportunity to explore issues of governance, rule of law and social justice;? maintaining an active worldwide network of alumni to share experience and learning across borders.

Classification

- **How:** Provides Advocacy/advice/information
- **What:** Education/training, Economic/community Development/employment, Human Rights/religious Or Racial Harmony/equality Or Diversity
- **Who:** The General Public/mankind

Geography

- Armenia
- Azerbaijan
- Belarus
- Georgia
- Kazakhstan
- Kyrgyzstan
- Moldova
- Russia
- Tajikistan
- Turkmenistan
- Ukraine
- Uzbekistan
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	£635,386	£542,563	£225,645	5
2023-09-30	£368,471	£351,427	-	-
2022-09-30	£248,569	£226,075	-	-
2021-09-30	£234,941	£249,805	-	-
2020-09-30	£424,668	£506,930	-	-

Trustees

Name	Role	Appointed
Alexander David Just		2019-07-01
Baroness Alison Mary Suttie		2023-05-10
DAVID CHARTERS		2015-03-17
ELIZABETH SMITH		2015-03-17
Jeremy Craig Oliphant		2020-03-17
Lord John Alderdice		2018-10-01

THE JOHN SMITH TRUST

England & Wales - Charity number 1174898

Accounts

Charity Number: 1174898
Company Number: 7284602

The John Smith Trust

Annual Report and Accounts

For the year ended 30 September 2024

The John Smith Trust

Reference and administrative details

Trustees	The Rt Hon. Lord Alderdice David Charters Baron Duncan of Springbank Stephen Gethins Alex Just Craig Oliphant Baroness Smith of Gilmorehill Baroness Suttie
Senior management	Maija Paasiaro, Director
Company number	07284602
Charity number	1174898
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS
Registered office	3rd Floor Suite 207 Regent Street London W1B 3HH
Independent examiner	Narges Cyroos Sterling Partners Limited 2nd Floor, Grove House 774-780 Wilmslow Road Manchester M20 2DR

The John Smith Trust

Trustees' report for the year ended 30 September 2024

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 30 September 2024.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (revised 2015).

Structure, Governance and Management

Governing Document

The John Smith Trust is a charitable company limited by guarantee, incorporated on 15 June 2010 and registered as a charity on 29 September 2017. The company is governed by its Memorandum and Articles of Association.

Organisational Structure

The directors of the charitable company are its trustees for the purpose of charity law and the members of the company limited by guarantee. Throughout this report they are collectively referred to as the trustees.

The following individuals served as trustees during the year and since the year end:

The Rt Hon. Lord Alderdice
David Charters
Baron Duncan of Springbank
Stephen Gethins
Alex Just
Craig Oliphant
Baroness Smith of Gilmorehill
The Hon. Catherine Smith (resigned September 2024)
Baroness Suttie

All trustees served for the full period unless otherwise stated above.

No trustees had any beneficial interest in the charity and no remuneration of trustees is paid by the charity.

The Board of Trustees is responsible for the strategic direction, policy and overall governance of the charity.

The implementation of strategy once agreed and the day to day running and management of the charity's activities is delegated to the secretariat, led by the Director. Pay and remuneration of key management personnel is set by the Board with reference to relevant comparative data with consideration for budgetary constraints.

The charitable company started trading on 24 October 2016. Prior to this, the Trust's fellowship programmes were delivered through an unincorporated charitable trust (The John Smith Trust constituted as a charitable trust under English law on 27 August 1996 and registered with the Charity Commission as charity number 1057885). After a period of in-activity the Trustees decided to re-constitute the charity's governance arrangements incorporating as a charitable company limited by guarantee. The directors of the charitable company were also the Trustees of the pre-existing charitable trust, until that trust was formally dissolved on 20 February 2019.

Recruitment and appointment of new trustees

New Trustees are recruited by the Board who consider the skills currently available and then identify the requirements of any additional or replacement trustee. Potential trustees are invited to preliminary discussions with at least two current trustees and the Director. On successful appointment of a trustee, the Director provides documentary and verbal induction material to introduce the trustee to the workings and objectives of the charity.

The John Smith Trust

Trustees' report for the year ended 30 September 2024

Objectives and principal activities

The Trust works to advance the education of the public in political sciences, in particular in relation to democratic systems of government and the rule of law.

In furtherance of its charitable objectives, the Trust carries out a range of activities which are summarised below.

Activities and Achievements

The John Smith Trust contributes to the development of sustainable, fair and inclusive societies in Eastern Europe, Russia, the South Caucasus and Central Asia. Through our fellowship programmes and network activities, we inspire and nurture a collaborative community of leaders and change-makers working on governance, social justice and climate action to improve the well-being of their societies.

Through its fellowship programmes the Trust has developed a highly successful model for building leadership capacity and a network where good governance and public service are key values. Candidates are only selected if they have demonstrated that they have the ability or are in positions where there is the potential for them to effect change through the implementation of year-long action plans/projects. This is assessed by examining the type of organisation within which they work (and its commitment to the public good), their ability to influence change within that organisation or across society more broadly and their openness to develop new ideas and benefit broadly from the fellowship.

The traditional John Smith fellowship involves a year-long engagement with a four-week UK based residential programme at its heart. This offers participants the chance to explore collectively and individually how politics, business, public administration and culture work (or fail) in another national environment. UK experience is a major focus yet many of the speakers (who represent all sectors of UK society) have international expertise. Each of the participants submits an Action plan – or project – which they have the chance to develop and explore during their 4 weeks in the UK. These plans are then implemented on their return. The majority of plans have a direct relevance to helping build rules-based, people-focused policy and practices.

Until 2011 the programme drew its fellows exclusively from the former Soviet Union (FSU). From 2012-2015 the Trust also worked in the Middle East and North Africa (MENA) region on a programme funded by the UK Government's Foreign and Commonwealth Office (FCO/FCDO). From 2017 to 2019, the Trust ran two annual fellowship programmes for 12 FSU countries with the support of the FCO: one for 25 fellows from Wider Europe (Armenia, Azerbaijan, Belarus, Georgia, Moldova, Russia and Ukraine); and one for 25 fellows from Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan).

This steady stream of approximately 50 new fellows per year reinvigorated the Trust's Alumni network. Since 2018, the Trust has also launched a programme of alumni events to harness and develop this renewed engagement. 'Alumni Ideas Exchange' events took place in Tbilisi in 2018, Bishkek in 2019 and (although originally planned to take place in Kyiv) online in March 2020. JST has put great effort into building the means for its Alumni network to connect, share and collaborate outside formal events. The intention has been to allow for greater connectivity between JST fellows, staff and the JST's wider network of supporters, to increase JST's 'offer' to its fellows and to allow JST to sustain its work and impact outside of programme periods.

During the 2020-2021 pandemic, the Trust focused its efforts solely on developing an online community of programme alumni in the FSU region by offering webinars with UK experts, practical thematic online discussions and informal networking opportunities. Through the JST's online network activities, fellows were able to access practical support, share skills, ideas and knowledge and exchange reliable information across the FSU region and the UK. The network proved an effective platform for support and communication during the early months of the pandemic and was put to good use during further crises and instability in the region. The connections built online over the last couple of years have enabled the Trust to re-establish contact with many of its past programme participants and provided a solid foundation for collaboration and joint projects addressing governance, rule of law and social justice challenges in the region.

The John Smith Trust

Trustees' report for the year ended 30 September 2024

In the post-pandemic period 2021-22, the Trust built upon these achievements further through online and face-to-face engagement, including by supporting smaller-scale alumni ideas exchange events proposed by groups of fellows, with the intention of creating new opportunities for network activities and collaborative online community-building being incorporated into future residential fellowship programmes. These were anticipated to commence in 2022. However, these plans were disrupted by Russia's full-scale invasion of Ukraine and the consequent re-direction of FCDO resources in support of Ukraine. Instead, the Trust implemented several in-person activities to develop its network further, including building on its existing Ideas Exchange format by bringing programme alumni back to the UK.

In 2023, the Trust re-launched its traditional regional Fellowship Programme, piloting adaptations in format and participant numbers to reflect the reduced level of funding available from the FCDO and contextual changes in the target region. A second pilot 'diaspora' hybrid programme was implemented in parallel to the main traditional regional programme. The adapted programmes built on lessons learned from online activities developed during the pandemic, emphasising two-way learning between counterparts, incorporating alumni community network building into the programme and responding to the tensions within the geopolitical context. The re-launched programmes received a record number of applicants from target countries and a high level of interest from UK stakeholders. The success of the pilot programmes led to three parallel programmes and one Ideas Exchange programme being implemented during the current reporting period.

As discussed under *Organisational Structure* above, the charitable company replaced a pre-existing charitable trust of the same name in 2016. The decision to incorporate the Trust followed a period of uncertainty that saw the charitable trust close its office and release its staff team in response to a lull in funding. Subsequent programmes were managed initially by Trustees supported by a team of freelance staff. In 2018 the Trust started to re-build a core team of employed staff and this trajectory has continued in the current reporting period. The Trust now has six permanent staff. The Trustees remain acutely aware of the funding risks faced by the new charitable company, especially as the charity only has short-term project-based funding from one donor, but wish to balance that risk with commitment to the staff team.

Public Benefit

The Trust carries out a range of activities in furtherance of its charitable objectives, as detailed under Activities and Achievements above. Having reviewed the Charity Commission's general guidance on public benefit, the Trustees consider that these activities provide benefit both to the charity's direct beneficiaries, the John Smith fellows, and to the wider public both in the UK and abroad.

Risk Management

The trustees are satisfied that systems are in place to mitigate their exposure to the major risks faced by the charity. Senior management maintain a risk register and regularly review risks at a project and organisational level including the anticipation of changing / new risks. Any changes are communicated with trustees at quarterly board meetings.

In the year under review the most pressing risks facing the charity fell into 2 main categories, geopolitical and financial. The charity has faced significant and heightened geopolitical risks in recent years due to the war in Ukraine. The financial risk faced by the charity relate to both income and spend. Specifically, although income has grown year on year for the last 3 years it remains short-term project-based funding. In common with many other charities John Smith Trust faces ongoing challenges in raising long-term funding, and to mitigate this the charity strives to develop new and more diverse sources of income to fund our work. The key financial risk on the spend side is managing our cashflow to ensure we are able to settle debts as they fall due. This is challenging because in recent years our funding has been received quarterly in arrears, so a normal 30-day delay in settlement of an invoice can mean spend is reimbursed 4 months after we pay our suppliers. This risk is day to day managed by regular review of the cashflow with programme and finance managers working together and monitored by the board via our management accounts.

Future Plans

Trustees held a strategic planning meeting in February 2023 to review the organisational strategy in light of geopolitical developments and agreed to focus on the following:

The John Smith Trust

Trustees' report for the year ended 30 September 2024

- Relaunch of updated and adapted residential fellowship programmes for the post-pandemic world, which incorporates the learning and opportunities opened up by our online alumni community-building activities and reflects the changing global context, including increased polarization, populism and instability as well as the climate emergency.
- Further development of opportunities for the Trust's network of senior leaders to connect and collaborate with each other as well as their counterparts in the UK on issues of mutual importance.
- Exploration of a strategic partnership with one or more prestigious universities.
- Diversification of income sources.

Financial review

In financial terms it was another successful year demonstrated by the charity's income growing significantly up £267k / 72% to £635k (2023, £368k). This was the result of success in securing back-to-back FCDO funding covering two government financial years, with only a slight pause while negotiations were ongoing in April 2024.

At the same time expenditure also increased by £191k / 54% to £543k (2023, £351k) with main driver of increased costs the return to in person fellowships featuring fellows from across Eastern Europe and Central Asia with two major UK residential events in year. Overall, the charity finished the year strongly with a surplus of £93k increasing reserves by 70% to £226k.

We expect income to stabilise in the period ahead following the rapid growth seen over the last two financial years and spend to catch up with it.

Reserves

The charity's income in the period was exclusively short-term project-based funding. To manage the uncertainty this causes, the Trustees' policy is to maintain reserves at a level sufficient to cover at least 6 months of salary and support costs. Based on the spend in these accounts this is equivalent to £118k.

At the balance sheet date, the charity's reserves (which are shown as unrestricted funds in the balance sheet) stood at £226k. The Trustees are pleased to note that after reducing our core spending commitments over recent years reserves are now comfortably above the target figure for the second consecutive year, and are currently looking at ways to utilise the excess that are in keeping with JST's charitable objects.

Responsibilities of the Trustees in relation to the financial statements

The trustees (who are also the directors of The John Smith Trust for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which 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 the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

The John Smith Trust

Trustees' report for the year ended 30 September 2024

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

This report was approved by the Board of Trustees on 23 June 2025 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D. Charters', written in a cursive style.

David Charters
Trustee

Report of the independent examiner to the members of The John Smith Trust for the year ended 30 September 2024

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 September 2024.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Narges Cyroos BSc FCA
Sterling Partners Limited
Chartered Accountants
2nd Floor Grove House
774-780 Wilmslow Road
Manchester M20 2DR

Date: .25/06/2025

The John Smith Trust
Statement of Financial Activities
for the year ended 30 September 2024

	<i>Notes</i>	<i>2024 Unrestricted Funds £</i>	<i>2024 Restricted Funds £</i>	<i>2024 Total Funds £</i>	<i>2023 Total Funds £</i>
Income					
Grants		68,472	566,914	635,386	368,471
Donations and legacies		-	-	-	-
Total Income	2	<u>68,472</u>	<u>566,914</u>	<u>635,386</u>	<u>368,471</u>
Expenditure					
Charitable activities		(24,351)	566,914	542,563	351,427
Total expenditure	3	<u>(24,351)</u>	<u>566,914</u>	<u>542,563</u>	<u>351,427</u>
Net income / (expenditure)		<u>92,823</u>	<u>-</u>	<u>92,823</u>	<u>17,044</u>
Transfers between funds		-	-	-	-
Net movement in funds		<u>92,823</u>	<u>-</u>	<u>92,823</u>	<u>17,044</u>
Reconciliation of funds					
Total funds brought forward		132,822	-	132,822	115,778
Total funds carried forward	7	<u><u>225,645</u></u>	<u><u>-</u></u>	<u><u>225,645</u></u>	<u><u>132,822</u></u>

The John Smith Trust
Balance Sheet
as at 30 September 2024

	<i>Notes</i>	<i>2024</i> £	<i>2023</i> £
Fixed assets			
Tangible assets	4	521	1,043
		<u>521</u>	<u>1,043</u>
Current assets			
Debtors	5	238,081	59,226
Cash at bank and in hand		83,064	183,079
		<u>321,145</u>	<u>242,305</u>
Creditors: amounts falling due within one year	6	(96,021)	(110,526)
Net current assets		<u>225,124</u>	<u>131,779</u>
Net assets		<u>225,645</u>	<u>132,822</u>
Funds			
Unrestricted funds	7	225,645	132,822
Restricted funds		-	-
Total funds		<u>225,645</u>	<u>132,822</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2024, and the members have not required the company to obtain an audit of its financial statements for the year in accordance with Section 476 of the Act.

The Trustees acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part 11 of the Companies Act 2006 relating to charitable small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2019).

The notes on page 11 to 15 form part of these financial statements.

Approved by the Board on 23 June 2025 and signed on their behalf by



David Charters
Trustee

The John Smith Trust
Statement of Cash Flows
for the year ended 30 September 2024

	2024 £	2023 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	92,823	17,044
Adjustments for:		
Depreciation charges	521	1,457
(Increase)/decrease in debtors	(178,854)	(56,209)
Increase/(decrease) in creditors	(14,505)	(55,532)
Net cash provided by (used in) operating activities	<u>(100,015)</u>	<u>(93,240)</u>
Cash flows from investing activities		
Purchase of fixed assets	-	(1,564)
Net cash provided by (used in) investing activities	<u>-</u>	<u>(1,564)</u>
Net increase/(decrease) in cash and cash equivalents	(100,015)	(94,804)
Cash and cash equivalents at beginning of year	183,079	277,883
Cash and cash equivalents at end of year	<u>83,064</u>	<u>183,079</u>

The John Smith Trust

Notes to the accounts for the year ended 30 September 2024

1 Principal accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below;

(a) Basis of accounting

These financial statements have been prepared under the historical cost convention in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective January 2019 (the Charities SORP (FRS 102)), UK accounting standards, including 'Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2006. The charity is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are prepared in Sterling which is the functional currency of the charity.

(b) Fund accounting

- (i) Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- (ii) Restricted funds are subject to specific conditions imposed by the donor as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

(c) Income

All income is included in the statement of financial activities when the charity is entitled to it and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

- (i) Grants and donations are included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- (ii) Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- (iii) Donated services and facilities are included at the value to the charity where this can be quantified.
- (iv) The value of services provided by volunteers has not been included in these accounts.
- (v) Investment income is included when receivable on an accruals basis.

(d) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred, and includes any VAT which cannot be fully recovered.

- (i) Fundraising costs comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- (ii) Charitable expenditure comprises those costs incurred by the charity 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.
- (iii) Support costs relate to those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel and governance costs. These costs have been allocated to fund raising and specific areas of charitable activity on a basis consistent with the use of resources.

(e) Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value if different.

Debtors

Debtors do not carry interest and are stated at their nominal value.

Creditors

Creditors are not interest bearing and are included at their nominal value

(f) Tangible fixed assets and depreciation

Tangible fixed assets costing over £500 (including any incidental expenses of acquisition) are capitalized. Depreciation is provided at rates calculated to write off the cost on a straight line basis over their expected useful economic life. The rate of depreciation is 33.33% per annum for all assets.

(g) Foreign currency

Transactions in foreign currencies are initially recorded in the entity's functional currency, which is pound sterling, by applying the spot exchange rate on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange on the balance sheet date. All differences are taken to the statement of financial activities.

The John Smith Trust

Notes to the accounts for the year ended 30 September 2024

2 Income

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
FCDO	68,472	566,914	635,386	368,471
Total	68,472	566,914	635,386	368,471

3 Expenditure

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Charitable activities				
Salaried staff	-	186,295	186,295	148,625
Freelance staff	-	45,875	45,875	9,538
Fellows travel & accomodation costs	-	61,469	61,469	63,574
Event staging costs	-	60,148	60,148	39,322
Other direct programme costs	208	139,268	139,476	45,181
Support costs	(24,559)	73,857	49,299	45,187
Total charitable activities	(24,351)	566,914	542,562	351,427
Total expenditure	(24,351)	566,914	542,562	351,427

Support costs, as detailed below, relate to the staff and running costs of the Trust's London secretariat and are allocated on a basis consistent with the use of resources.

Support costs	Governance function £	General support £	Total 2024 £	Total 2023 £
Staff	4,040	17,613	21,654	17,439
Freelance staff	2,000	13,350	15,350	14,766
IT & office costs	-	8,344	8,344	9,310
Board meetings	-	-	-	60
Independent examination fee	2,400	-	2,400	2,400
Legal & professional	-	141	141	411
Other	-	1,410	1,410	801
	8,440	40,858	49,299	45,187

The John Smith Trust

Notes to the accounts for the year ended 30 September 2024

4 Tangible fixed assets

	Computer equipment £
Cost	
At 30 September 2023	7,846
Additions in year	-
At 30 September 2024	<u>7,846</u>
Depreciation	
At 30 September 2023	6,803
Charge for the period	521
At 30 September 2024	<u>7,324</u>
Net Book Value	
At 30 September 2024	<u><u>522</u></u>
<i>At 30 September 2023</i>	<u><u>1,043</u></u>

5 Debtors: amounts falling due within one year

	2024 £	2023 £
Prepayments & accrued income	-	59,166
Trade debtors	238,081	
Other debtors	-	60
Total	<u>238,081</u>	<u>59,226</u>

6 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	4,267	3,569
Deferred Income	85,017	103,555
Accruals & other creditors	6,737	3,402
Total	<u>96,021</u>	<u>110,526</u>

Summary of movements in year on deferred income

	2024 £	2023 £
Balance at 1 October	103,555	162,860
Released in year	(18,538)	(59,305)
Deferred in year	-	-
Balance at 30 September	<u>85,017</u>	<u>103,555</u>

Deferred income stated above relates to income received from donors which has been used to cover time-specific programme costs (primarily staff salaries plus on costs) during the period under review.

The John Smith Trust

Notes to the accounts for the year ended 30 September 2024

7 Movements in funds

	<i>Balance at 02-Oct-23</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Transfers in / (out)</i>	<i>Balance at 30-Sep-24</i>
	£	£	£	£	£
Restricted Funds					
EECA	-	550,061	(550,061)	-	-
Wider Europe & Central Asia Programme	-	16,853	(16,853)	-	-
	<u>-</u>	<u>566,914</u>	<u>(566,914)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General funds	132,822	68,472	24,351	-	225,645
	<u>132,822</u>	<u>68,472</u>	<u>24,351</u>	<u>-</u>	<u>225,645</u>
Total funds	<u>132,822</u>	<u>635,386</u>	<u>(542,563)</u>	<u>-</u>	<u>225,645</u>

	<i>Balance at 01-Oct-22</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Transfers in / (out)</i>	<i>Balance at 30-Sep-23</i>
	£	£	£	£	£
Restricted Funds					
EECA	-	286,570	(286,570)	-	-
Wider Europe & Central Asia Programme	-	53,914	(53,914)	-	-
	<u>-</u>	<u>340,484</u>	<u>(340,484)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General funds	115,778	27,987	(10,943)	-	132,822
	<u>115,778</u>	<u>27,987</u>	<u>(10,943)</u>	<u>-</u>	<u>132,822</u>
Total funds	<u>115,778</u>	<u>368,471</u>	<u>(351,427)</u>	<u>-</u>	<u>132,822</u>

EECA

Following a successful pilot hybrid fellowship programme 2023/24, three parallel programmes were designed to nurture a collaborative community of leaders and change-makers working on governance, social justice and climate action for different groups across Eastern Europe, the Caucasus and Central Asia 2024/25. FCDO funding was secured for the three fellowship programmes along with an ideas exchange programme to take place in the following financial year.

Wider Europe & Central Asia Programme

A fellowship programme featuring fellows from 12 FSU countries (7 in Europe and 5 in the Central Asia region). The programme ran as a traditional fellowship from October 2016 to March 2020 with funding and logistic support from the FCO. After a hiatus due to Covid the programme restarted in June 2021 initially adopting an online format developed as part of the Covid response project.

The John Smith Trust

Notes to the accounts for the year ended 30 September 2024

8 Staff costs and numbers

	2024	2023
	£	£
Gross wages and salaries	180,219	146,312
Social security costs	13,418	8,249
Pension	14,312	11,504
	207,949	166,065

The average number of staff employed during the period was 5 5

The number of staff whose emoluments were in excess of £60,000 during the year were as follows:

£60,001 - £70,000 1 -

Staff costs have been analysed as:

	2024	2023
	£	£
Direct charitable expenditure	186,295	148,625
Support	17,613	17,439
	203,909	166,064

9 Trustees' remuneration and expenses

The charity did not pay to its trustees any remuneration during the year (2023, £nil) and reimbursed 3 trustees a total of £1,440 expenses in relation to the charities activities (2023, £1,486).

10 Analysis of net assets between funds

	<i>General Funds</i>	<i>Restricted funds</i>	<i>Total funds</i>
	£	£	£
Fixed Assets	521	-	521
Current assets	236,128	85,017	321,145
Current liabilities	(11,004)	(85,017)	(96,021)
Net assets at 30 September 2024	225,645	-	225,645

11 Pensions

The charity operates an auto-enrolment pension scheme with The Peoples Pension. All employees are eligible, and the charity pays an 8% employer's contribution. Pension costs stated in note 8 and charged in the statement of Financial Activities represent the total contributions payable by the charity in the year.

THE JOHN SMITH TRUST

England & Wales - Charity number 1174898

Accounts

Charity Number: 1174898
Company Number: 7284602

The John Smith Trust

Annual Report and Accounts

For the year ended 30 September 2023

The John Smith Trust

Reference and administrative details

Trustees	The Rt Hon. Lord Alderdice David Charters Baron Duncan of Springbank Stephen Gethins Alex Just Craig Oliphant Baroness Smith of Gilmorehill The Hon. Catherine Smith Baroness Suttie
Senior management	Maija Paasiaro, Director
Company number	07284602
Charity number	1174898
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS
Registered office	3rd Floor Suite 207 Regent Street London W1B 3HH
Independent examiner	Narges Cyroos Sterling Partners Limited 2nd Floor, Grove House 774-780 Wilmslow Road Manchester M20 2DR

The John Smith Trust

Trustees' report for the year ended 30 September 2023

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 30 September 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (revised 2015).

Structure, Governance and Management

Governing Document

The John Smith Trust is a charitable company limited by guarantee, incorporated on 15 June 2010 and registered as a charity on 29 September 2017. The company is governed by its Memorandum and Articles of Association.

Organisational Structure

The directors of the charitable company are its trustees for the purpose of charity law and the members of the company limited by guarantee. Throughout this report they are collectively referred to as the trustees.

The following individuals served as trustees during the year and since the year end:

The Rt Hon. Lord Alderdice
David Charters
Baron Duncan of Springbank
Stephen Gethins
Alex Just
Craig Oliphant
Baroness Smith of Gilmorehill
The Hon. Catherine Smith
Baroness Suttie (appointed 10 May 2023)

All trustees served for the full period unless otherwise stated above.

No trustees had any beneficial interest in the charity and no remuneration of trustees is paid by the charity.

The Board of Trustees is responsible for the strategic direction, policy and overall governance of the charity.

The implementation of strategy once agreed and the day to day running and management of the charity's activities is delegated to the secretariat, led by the Director.

The charitable company started trading on 24 October 2016. Prior to this, the Trust's fellowship programmes were delivered through an unincorporated charitable trust (The John Smith Trust constituted as a charitable trust under English law on 27 August 1996 and registered with the Charity Commission as charity number 1057885). After a period of in-activity the Trustees decided to re-constitute the charity's governance arrangements incorporating as a charitable company limited by guarantee. The directors of the charitable company were also the Trustees of the pre-existing charitable trust, until that trust was formally dissolved on 20 February 2019.

Recruitment and appointment of new trustees

New Trustees are recruited by the Board who consider the skills currently available and then identify the requirements of any additional or replacement trustee. Potential trustees are invited to preliminary discussions with at least two current trustees and the Director. On successful appointment of a trustee, the Director provides documentary and verbal induction material to introduce the trustee to the workings and objectives of the charity.

Objectives and principal activities

The Trust works to advance the education of the public in political sciences, in particular in relation to democratic systems of government and the rule of law.

The John Smith Trust

Trustees' report for the year ended 30 September 2023

In furtherance of its charitable objectives, the Trust carries out a range of activities which are summarised below.

Activities and Achievements

The John Smith Trust contributes to the development of sustainable, fair and inclusive societies in Eastern Europe, Russia, the South Caucasus and Central Asia. Through our fellowship programmes and network activities, we inspire and nurture a collaborative community of leaders and change-makers working on governance, social justice and climate action to improve the well-being of their societies.

Through its fellowship programmes the Trust has developed a highly successful model for building leadership capacity and a network where good governance and public service are key values. Candidates are only selected if they have demonstrated that they have the ability or are in positions where there is the potential for them to effect change through the implementation of year-long action plans/projects. This is assessed by examining the type of organisation within which they work (and its commitment to the public good), their ability to influence change within that organisation or across society more broadly and their openness to reflect on new ideas and benefit from the fellowship.

The traditional John Smith fellowship involves a year-long engagement with a four week UK based residential programme at its heart. This offers participants the chance to explore collectively and individually how politics, business, public administration and culture work (or fail) in another national environment. UK experience is a major focus yet many of the speakers (who represent all sectors of UK society) have international expertise. Crucially, each of the participants submits an Action plan – or project – which they have the chance to develop and explore during their 4 weeks in the UK. These plans are then implemented on their return. The majority of plans have a direct relevance to helping build rules-based, people-focused policy and practices.

Until 2011 the programme drew its fellows exclusively from the former Soviet Union (FSU). From 2012-2015 the Trust also worked in the Middle East and North Africa (MENA) region on a programme funded by the UK Government's Foreign and Commonwealth Office (FCO/FCDO). From 2017 to 2019, the Trust ran two annual fellowship programmes for 12 FSU countries with the support of the FCO: one for 25 fellows from Wider Europe (Armenia, Azerbaijan, Belarus, Georgia, Moldova, Russia and Ukraine); and one for 25 fellows from Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan).

This steady stream of approximately 50 new fellows per year reinvigorated the Trust's Alumni network. Since 2018, the Trust has also launched a programme of alumni events to harness and develop this renewed engagement. 'Alumni Ideas Exchange' events took place in Tbilisi in 2018, Bishkek in 2019 and (although originally planned to take place in Kyiv) online in March 2020. JST has put great effort into building the means for its Alumni network to connect, share and collaborate outside formal events. The intention has been to allow for greater connectivity between JST fellows, staff and the JST's wider network of supporters, to increase JST's 'offer' to its fellows and to allow JST to sustain its work and impact outside of programme periods.

During the 2020-2021 pandemic, the Trust focused its efforts solely on developing an online community of programme alumni in the FSU region by offering webinars with UK experts, practical thematic online discussions and informal networking opportunities. Through the JST's online network activities, fellows were able to access practical support, share skills, ideas and knowledge and exchange reliable information across the FSU region and the UK. The network proved an effective platform for support and communication during the early months of the pandemic and was put to good use during further crises and instability in the region. The connections built online over the last couple of years have enabled the Trust to re-establish contact with many of its past programme participants and provided a solid foundation for collaboration and joint projects addressing governance, rule of law and social justice challenges in the region.

In the post-pandemic period 2021-22, the Trust built upon these achievements further through online and face-to-face engagement, including by supporting smaller-scale alumni ideas exchange events proposed by groups of fellows, with the intention of creating new opportunities for network activities and collaborative

The John Smith Trust

Trustees' report for the year ended 30 September 2023

online community-building being incorporated into future residential fellowship programmes. These were anticipated to commence in 2022. However, these plans were disrupted by Russia's full-scale invasion of Ukraine and the consequent re-direction of FCDO resources in support of Ukraine. Instead, the Trust implemented several in-person activities to develop its network further, including building on its existing Ideas Exchange format by bringing programme alumni back to the UK.

During the period under review, the Trust was finally able to re-launch its traditional regional Fellowship Programme with certain adaptations in format and participant numbers which reflect the reduced level of funding available from the FCDO. A hybrid programme was developed and implementation commenced during the reporting period with lessons learned from online activities developed during the pandemic, incorporating alumni community network building into the programme and responding to the tensions within the geopolitical context. The re-launched programme received a record number of applicants from target countries and a high level of interest from UK stakeholders.

As discussed under *Organisational Structure* above this is the sixth period of trading for the charitable company having replaced a pre-existing charitable trust of the same name. The decision to incorporate the Trust followed a period of uncertainty that saw the charitable trust close its office and release its staff team in response to a lull in funding. Subsequent programmes were managed initially by Trustees supported by a team of freelance staff, in 2018 the Trust started to re-build a core team of employed staff and this trajectory has continued in the current reporting period. The Trust now has five permanent staff. The Trustees remain acutely aware of the funding risks faced by the new charitable company, especially as the charity only has short-term project-based funding from one donor, but wish to balance that risk with commitment to the staff team.

Public Benefit

The Trust carries out a range of activities in furtherance of its charitable objectives, as detailed under Activities and Achievements above. Having reviewed the Charity Commission's general guidance on public benefit, the Trustees consider that these activities provide benefit both to the charity's direct beneficiaries, the John Smith fellows, and to the wider public both in the UK and abroad.

Risk Management

The Trustees regularly review the risks the charity faces and are satisfied that systems are in place to mitigate their exposure to the major risks.

Future Plans

Trustees held a strategic planning meeting in February 2023 to review the organisational strategy in light of geopolitical developments and agreed to focus on the following:

- Relaunch of updated and adapted residential fellowship programmes for the post-pandemic world, which incorporates the learning and opportunities opened up by our online alumni community-building activities and reflects the changing global context, including increased polarization, populism and instability as well as the climate emergency.
- Further development of opportunities for the Trust's network of senior leaders to connect and collaborate with each other as well as their counterparts in the UK on issues of mutual importance.
- Exploration of a strategic partnership with one or more prestigious universities.
- Diversification of income sources.

Financial review

In financial terms this was another challenging but ultimately successful year for the charity. The charity's income grew significantly in year up 48% to £368k (2022, £249k). This followed 4 years of decline and stagnation due to factors including the effect of the covid-19 pandemic on the charity's operating model and the fact our main donor FCO/FCDO underwent structural changes and budget cuts. The trustees remain cautiously optimistic that the new department, FCDO, will eventually provide long-term funding of our flagship fellowship programme although for now support remains short term and project-based. At the same time expenditure also increased by £125k / 55% to £351k (2022, £226k) with the main driver of increased costs the Oxford Ideas Exchange in March 2023, a welcome return to UK events featuring fellows from across the Eastern Europe and Central Asia region albeit on a smaller scale than previous years. Overall, the charity enjoyed a small surplus of £17k in year, slightly down on the previous year's £22k.

The John Smith Trust

Trustees' report for the year ended 30 September 2023

We expect a similar situation in the immediate future. Building on the income increase in the year under review we expect a further increase in the year ahead, and new funding for the government financial year starting April 2024 to March 2025 has been verbally agreed at a level sufficient to sustain the hybrid delivery model developed in recent years. In response to this the Trustees are looking to develop new leadership programmes building on our FSU geographical specialism to broaden the appeal of the trust and draw in support from other potential donors.

Reserves

The charity's income in the period was exclusively short-term project-based funding. To manage the uncertainty this causes, the Trustees' policy is to maintain reserves at a level sufficient to cover at least 6 months of salary and support costs. Based on the spend in these accounts this is equivalent to £97k.

At the balance sheet date, the charity's reserves (which are shown as unrestricted funds in the balance sheet) stood at £133k. The Trustees are pleased to note that after reducing our core spending commitments over recent years reserves are now above the target figure.

Responsibilities of the Trustees in relation to the financial statements

The trustees (who are also the directors of The John Smith Trust for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which 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 the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 auditors are 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 auditors are aware of that information.

This report was approved by the Board of Trustees on 25 June 2024 and signed on its behalf by:



David Charters
Trustee

Report of the independent examiner to the members of The John Smith Trust for the year ended 30 September 2022

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 September 2023.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Narges Cyroos BSc FCA
Sterling Partners Limited
Chartered Accountants
2nd Floor Grove House
774-780 Wilmslow Road
Manchester M20 2DR

Date: 25 June 2024

The John Smith Trust

Statement of Financial Activities

for the year ended 30 September 2023

	Notes	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £	2022 Total Funds £
Income					
Grants		27,987	340,484	368,471	248,569
Total Income	2	<u>27,987</u>	<u>340,484</u>	<u>368,471</u>	<u>248,569</u>
Expenditure					
Charitable activities		10,943	340,484	351,427	226,075
Total expenditure	3	<u>10,943</u>	<u>340,484</u>	<u>351,427</u>	<u>226,075</u>
Net income / (expenditure)		<u>17,044</u>	<u>-</u>	<u>17,044</u>	<u>22,494</u>
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>17,044</u>	<u>-</u>	<u>17,044</u>	<u>22,494</u>
Reconciliation of funds					
Total funds brought forward		115,778	-	115,778	93,284
Total funds carried forward	7	<u><u>132,822</u></u>	<u><u>-</u></u>	<u><u>132,822</u></u>	<u><u>115,778</u></u>

The John Smith Trust
Balance Sheet
as at 30 September 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	4	1,043	936
		<u>1,043</u>	<u>936</u>
Current assets			
Debtors	5	59,226	3,017
Cash at bank and in hand		183,079	277,883
		<u>242,305</u>	<u>280,900</u>
Creditors: amounts falling due within one year	6	(110,526)	(166,058)
Net current assets		<u>131,779</u>	<u>114,842</u>
Net assets		<u>132,822</u>	<u>115,778</u>
Funds			
Unrestricted funds	7	132,822	115,778
Restricted funds		-	-
Total funds		<u>132,822</u>	<u>115,778</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2023, and the members have not required the company to obtain an audit of its financial statements for the year in accordance with Section 476 of the Act.

The Trustees acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2019).

The notes on page 10 to 14 form part of these financial statements.

Approved by the Board on 25 June 2024 and signed on their behalf by



David Charters
Trustee

The John Smith Trust
Statement of Cash Flows
for the year ended 30 September 2023

	2023 £	2022 £
<i>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</i>	17,044	22,494
Adjustments for:		
Depreciation charges	1,457	1,276
(Increase)/decrease in debtors	(56,209)	70,652
Increase/(decrease) in creditors	(55,532)	(88,460)
Net cash provided by (used in) operating activities	<u>(93,240)</u>	<u>5,962</u>
Cash flows from investing activities		
Purchase of fixed assets	(1,564)	-
Net cash provided by (used in) investing activities	<u>(1,564)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	(94,804)	5,962
Cash and cash equivalents at beginning of year	277,883	271,921
Cash and cash equivalents at end of year	<u>183,079</u>	<u>277,883</u>

The John Smith Trust

Notes to the accounts for the year ended 30 September 2023

1 Principal accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below;

(a) Basis of accounting

These financial statements have been prepared under the historical cost convention in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective January 2019 (the Charities SORP (FRS 102)), UK accounting standards, including 'Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2006. The charity is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are prepared in Sterling which is the functional currency of the charity.

(b) Fund accounting

- (i) Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- (ii) Restricted funds are subject to specific conditions imposed by the donor as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

(c) Income

All income is included in the statement of financial activities when the charity is entitled to it and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

- (i) Grants and donations are included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- (ii) Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- (iii) Donated services and facilities are included at the value to the charity where this can be quantified.
- (iv) The value of services provided by volunteers has not been included in these accounts.
- (v) Investment income is included when receivable on an accruals basis.

(d) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred, and includes any VAT which cannot be fully recovered.

- (i) Fundraising costs comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- (ii) Charitable expenditure comprises those costs incurred by the charity 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.
- (iii) Support costs relate to those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel and governance costs. These costs have been allocated to fund raising and specific areas of charitable activity on a basis consistent with the use of resources.

(e) Tangible fixed assets and depreciation

Tangible fixed assets costing over £500 (including any incidental expenses of acquisition) are capitalized. Depreciation is provided at rates calculated to write off the cost on a straight line basis over their expected useful economic life. The rate of depreciation is 33.33% per annum for all assets.

(f) Foreign currency

Transactions in foreign currencies are initially recorded in the entity's functional currency, which is pound sterling, by applying the spot exchange rate on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange on the balance sheet date. All differences are taken to the statement of financial activities.

The John Smith Trust

Notes to the accounts for the year ended 30 September 2023

2 Income

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
FCDO	27,987	340,484	368,471	248,569
Total	27,987	340,484	368,471	248,569

3 Expenditure

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Charitable activities				
Salaried staff	-	148,625	148,625	134,193
Freelance staff	-	9,538	9,538	9,643
Fellows travel & accomodation costs		63,574	63,574	-
Event staging costs	-	39,322	39,322	16,265
Other direct programme costs	349	44,832	45,181	24,007
Support costs	10,594	34,593	45,187	41,967
Total charitable activities	10,943	340,484	351,427	226,075
Total expenditure	10,943	340,484	351,427	226,075

Support costs, as detailed below, relate to the staff and running costs of the Trust's London secretariat and are allocated on a basis consistent with the use of resources.

	Governance function £	General support £	Total 2023 £	Total 2022 £
Support costs				
Staff	2,984	14,455	17,439	18,379
Freelance staff	2,000	12,766	14,766	11,237
IT & office costs	-	9,310	9,310	6,549
Board meetings	60	-	60	-
Independent examination fee	2,400	-	2,400	2,200
Legal & professional	-	411	411	3,352
Other	-	801	801	250
	7,444	37,743	45,187	41,967

The John Smith Trust

Notes to the accounts for the year ended 30 September 2023

4 Tangible fixed assets

	Computer equipment £
Cost	
At 30 September 2022	6,282
Additions in year	1,564
At 30 September 2023	<u>7,846</u>
Depreciation	
At 30 September 2022	5,346
Charge for the period	1,457
At 30 September 2023	<u>6,803</u>
Net Book Value	
At 30 September 2023	<u><u>1,043</u></u>
<i>At 30 September 2022</i>	<u><u>936</u></u>

5 Debtors: amounts falling due within one year

	2023 £	2022 £
Prepayments & accrued income	59,166	#REF!
Other debtors	60	3,017
Total	<u>59,226</u>	<u>3,017</u>

6 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	3,569	-
Deferred Income	103,555	165,060
Accruals & other creditors	3,402	998
Total	<u>110,526</u>	<u>166,058</u>

Summary of movements in year on deferred income

	2023 £	2022 £
Balance at 1 October	162,860	250,000
Released in year	(59,305)	(87,140)
Deferred in year	-	-
Balance at 30 September	<u>103,555</u>	<u>162,860</u>

Deferred income stated above relates to income received from donors which has been used to cover time-specific programme costs (primarily staff salaries plus on costs) during the period under review.

The John Smith Trust

Notes to the accounts for the year ended 30 September 2023

7 Movements in funds

	<i>Balance at 01-Oct-22</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Transfers in / (out)</i>	<i>Balance at 30-Sep-23</i>
	£	£	£	£	£
Restricted Funds					
EECA	-	286,570	(286,570)	-	-
Wider Europe & Central Asia Programme	-	53,914	(53,914)	-	-
	<u>-</u>	<u>340,484</u>	<u>(340,484)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General funds	115,778	27,987	(10,943)	-	132,822
	<u>115,778</u>	<u>27,987</u>	<u>(10,943)</u>	<u>-</u>	<u>132,822</u>
Total funds	115,778	368,471	(351,427)	-	132,822

	<i>Balance at 01-Oct-21</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Transfers in / (out)</i>	<i>Balance at 30-Sep-22</i>
	£	£	£	£	£
Restricted Funds					
Wider Europe & Central Asia Programme	-	225,418	(225,418)	-	-
	<u>-</u>	<u>225,418</u>	<u>(225,418)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General funds	93,284	23,151	(657)	-	115,778
	<u>93,284</u>	<u>23,151</u>	<u>(657)</u>	<u>-</u>	<u>115,778</u>
Total funds	93,284	248,569	(226,075)	-	115,778

EECA

A hybrid fellowship programme designed to nurture a collaborative community of leaders and change-makers working on governance, social justice and climate action across Eastern Europe, the Caucasus and Central Asia (EECA) and the UK. A pilot programme was run between November 2022 and March 2023 with funding from the FCDO and toward the end of the year a further round of funding from the FCDO was confirmed.

Wider Europe & Central Asia Programme

A fellowship programme featuring fellows from 12 FSU countries (7 in Europe and 5 in the Central Asia region). The programme ran as a traditional fellowship from October 2016 to March 2020 with funding and logistic support from the FCO. After a hiatus due to Covid the programme restarted in June 2021 initially adopting an online format developed as part of the Covid response project.

The John Smith Trust

Notes to the accounts for the year ended 30 September 2023

8 Staff costs and numbers

	2023	2022
	£	£
Gross wages and salaries	146,312	132,000
Social security costs	8,249	8,844
Pension	11,504	11,728
	166,065	152,572

The average number of staff employed during the period was

5 5

The total compensation to key management personnel (see Senior Management - page 1 of these accounts) was £54,000 (2022, £48,600).

Staff costs have been analysed as:

	2023	2022
	£	£
Direct charitable expenditure	148,625	134,193
Support	17,439	18,379
	166,064	152,572

9 Trustees' remuneration and expenses

The charity did not pay to its trustees any remuneration during the year (2022, £nil) and reimbursed 3 trustees a total of £1,486 expenses in relation to the charities activities (2022, £nil).

10 Analysis of net assets between funds

	<i>General Funds</i>	<i>Restricted funds</i>	<i>Total funds</i>
	£	£	£
Fixed Assets	1,043	-	1,043
Current assets	138,750	103,555	242,305
Current liabilities	(6,971)	(103,555)	(110,526)
Net assets at 30 September 2023	132,822	-	132,822

11 Pensions

The charity operates an auto-enrolment pension scheme with The Peoples Pension. All employees are eligible, and the charity pays an 8% employer's contribution. Pension costs stated in note 8 and charged in the statement of Financial Activities represent the total contributions payable by the charity in the year.

THE JOHN SMITH TRUST

England & Wales - Charity number 1174898

Accounts

Charity Number: 1174898
Company Number: 7284602

The John Smith Trust

Annual Report and Accounts

For the year ended 30 September 2022

The John Smith Trust

Reference and administrative details

Trustees	The Rt Hon. Lord Alderdice David Charters Baron Duncan of Springbank Stephen Gethins Alex Just Craig Oliphant Baroness Smith of Gilmorehill The Hon. Catherine Smith Baroness Suttie
Senior management	Maija Paasiaro, Director
Company number	06648679
Charity number	1174898
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS
Registered office	Office 4 219 Kensington High Street London W8 6BD
Independent examiner	Narges Cyroos Sterling Partners Limited 2nd Floor, Grove House 774-780 Wilmslow Road Manchester M20 2DR

The John Smith Trust

Trustees' report for the year ended 30 September 2022

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 30 September 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (revised 2015).

Structure, Governance and Management

Governing Document

The John Smith Trust is a charitable company limited by guarantee, incorporated on 15 June 2010 and registered as a charity on 29 September 2017. The company is governed by its Memorandum and Articles of Association.

Organisational Structure

The directors of the charitable company are its trustees for the purpose of charity law and the members of the company limited by guarantee. Throughout this report they are collectively referred to as the trustees.

The following individuals served as trustees during the year and since the year end:

The Rt Hon. Lord Alderdice	
David Charters	
Baron Duncan of Springbank	(appointed 5 May 2022)
Stephen Gethins	
Alex Just	
Craig Oliphant	
Baroness Smith of Gilmorehill	
The Hon. Catherine Smith	
Baroness Suttie	(appointed 10 May 2023)

All trustees served for the full period unless otherwise stated above.

No trustees had any beneficial interest in the charity and no remuneration of trustees is paid by the charity.

The Board of Trustees is responsible for the strategic direction, policy and overall governance of the charity.

The implementation of strategy once agreed and the day to day running and management of the charity's activities is delegated to the secretariat, led by the Director.

The charitable company started trading on 24 October 2016. Prior to this, the Trust's fellowship programmes were delivered through an unincorporated charitable trust (The John Smith Trust constituted as a charitable trust under English law on 27 August 1996 and registered with the Charity Commission as charity number 1057885). After a period of in-activity the Trustees decided to re-constitute the charity's governance arrangements incorporating as a charitable company limited by guarantee. The directors of the charitable company were also the Trustees of the pre-existing charitable trust, until that trust was formally dissolved on 20 February 2019.

Recruitment and appointment of new trustees

New Trustees are recruited by the Board who consider the skills currently available and then identify the requirements of any additional or replacement trustee. Potential trustees are invited to preliminary discussions with at least two current trustees and the Director. On successful appointment of a trustee, the Director provides documentary and verbal induction material to introduce the trustee to the workings and objectives of the charity.

The John Smith Trust

Trustees' report for the year ended 30 September 2022

Objectives and principal activities

The Trust works to advance the education of the public in political sciences, in particular in relation to democratic systems of government and the rule of law.

In furtherance of its charitable objectives, the Trust carries out a range of activities which are summarised below.

Activities and Achievements

The John Smith Trust contributes to the development of sustainable, fair and inclusive societies in Eastern Europe, the Caucasus and Central Asia. Through our fellowship programmes and network activities, we inspire and nurture a collaborative community of leaders and change-makers working on governance, social justice and climate action to improve the well-being of their societies.

Through its fellowship programmes the Trust has developed a highly successful model for building leadership capacity and a network where good governance and public service are key values. Candidates are only selected if they have demonstrated that they have the ability or are in positions where there is the potential for them to effect change through the implementation of year-long action plans/projects. This is assessed by examining the type of organisation within which they work (and its commitment to the public good), their ability to influence change within that organisation or across society more broadly and their openness to reflect on new ideas and benefit from the fellowship.

The traditional John Smith fellowship involves a year-long engagement with a four week UK based residential programme at its heart. This offers participants the chance to explore collectively and individually how politics, business, public administration and culture work (or fail) in another national environment. UK experience is a major focus yet many of the speakers (who represent all sectors of UK society) have international expertise. Crucially, each of the participants submits an Action plan – or project – which they have the chance to develop and explore during their 4 weeks in the UK. These plans are then implemented on their return. The majority of plans have a direct relevance to helping build rules-based, people-focused policy and practices.

Until 2011 the programme drew its fellows exclusively from the former Soviet Union (FSU). From 2012-2015 the Trust also worked in the Middle East and North Africa (MENA) region on a programme funded by the UK Government's Foreign and Commonwealth Office (FCO/FCDO). From 2017 to 2019, the Trust ran two annual fellowship programmes for 12 FSU countries with the support of the FCO: one for 25 fellows from Wider Europe (Armenia, Azerbaijan, Belarus, Georgia, Moldova, Russia and Ukraine); and one for 25 fellows from Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan).

This steady stream of approximately 50 new fellows per year reinvigorated the Trust's Alumni network. Since 2018, the Trust has also launched a programme of alumni events to harness and develop this renewed engagement. 'Alumni Ideas Exchange' events took place in Tbilisi in 2018, Bishkek in 2019 and (although originally planned to take place in Kyiv) online in March 2020. JST has put great effort into building the means for its Alumni network to connect, share and collaborate outside formal events. The intention has been to allow for greater connectivity between JST fellows, staff and the JST's wider network of supporters, to increase JST's 'offer' to its fellows and to allow JST to sustain its work and impact outside of programme periods.

During the 2020-2021 pandemic, the Trust focused its efforts solely on developing an online community of programme alumni in the FSU region by offering webinars with UK experts, practical thematic online discussions and informal networking opportunities. Through the JST's online network activities, fellows were able to access practical support, share skills, ideas and knowledge and exchange reliable information across the FSU region and the UK. The network proved an effective platform for support and communication during the early months of the pandemic and was put to good use during further crises and instability in the region. The connections built online over the last couple of years have enabled the Trust to re-establish contact with many of its past programme participants and provided a solid foundation for collaboration and joint projects addressing governance, rule of law and social justice challenges in the region.

The John Smith Trust

Trustees' report for the year ended 30 September 2022

The Trust has further built upon these achievements through online and face-to-face engagement in 2021/2022 (the period under review), including by supporting smaller-scale alumni ideas exchange events proposed by groups of fellows. The new opportunities for network activities and collaborative online community-building will be incorporated into future residential fellowship programmes. These were anticipated to commence in 2022. However, these plans were disrupted by Russia's full-scale invasion of Ukraine and the consequent re-direction of FCDO resources in support of Ukraine. During the period under review, the Trust implemented several in-person activities to develop its network further, including building on its existing Ideas Exchange format by bringing programme alumni back to the UK. It is anticipated that the first hybrid Fellowship Programmes will be held in 2023 and further activities will be developed to nurture a collaborative online and in-person community of programme alumni.

As discussed under *Organisational Structure* above this is the sixth period of trading for the charitable company having replaced a pre-existing charitable trust of the same name. The decision to incorporate the Trust followed a period of uncertainty that saw the charitable trust close its office and release its staff team in response to a lull in funding. Subsequent programmes were managed initially by Trustees supported by a team of freelance staff, in 2018 the Trust started to re-build a core team of employed staff and this trajectory has continued in the current reporting period. The Trust now has five permanent staff. The Trustees remain acutely aware of the funding risks faced by the new charitable company, especially as the charity has a single project fully funded by one donor, but wish to balance that risk with commitment to the staff team.

Public Benefit

The Trust carries out a range of activities in furtherance of its charitable objectives, as detailed under Activities and Achievements above. Having reviewed the Charity Commission's general guidance on public benefit, the Trustees consider that these activities provide benefit both to the charity's direct beneficiaries, the John Smith fellows, and to the wider public both in the UK and abroad.

Risk Management

The Trustees regularly review the risks the charity faces and are satisfied that systems are in place to mitigate their exposure to the major risks.

Future Plans

Trustees have reviewed the 'direction of travel' agreed in 2021 in light of this year's geopolitical developments and agreed to focus on the following:

- Relaunch of updated and adapted residential fellowship programmes for the post-pandemic world, which incorporates the learning and opportunities opened up by our online alumni community-building activities and reflects the changing global context, including increased polarization, populism and instability as well as the climate emergency.
- Further development of opportunities for the Trust's network of senior leaders to connect and collaborate with each other as well as their counterparts in the UK.
- Diversification of income sources.

Financial review

In financial terms this was another challenging but ultimately successful year for the charity. The FCO/FCDO the charity's main donor for a number of years underwent structural changes and budget cuts which inevitably had a knock-on effect on the charity. The trustees remain cautiously optimistic that the new department will eventually provide long-term funding of our flagship fellowship programme but for now support remains short term and project-based. Nevertheless, in the year under review income rose slightly, up £14k / 6% to £249k (2021, £235k). At the same time expenditure fell by £24k / 9% to £226k (2021, £250k) as the charity's slimmed down secretariat adjusted to the new hybrid delivery model of small physical events in the region and in the UK combined with a greater reliance on online activity. The combined effect was a small surplus of £22k in year following the small deficit of £15k in 2021.

We expect a similar situation in the immediate future and indeed new funding for the government financial year starting April 2023 has been verbally agreed at a level sufficient to sustain the hybrid delivery model. In response to this the Trustees are looking to develop new leadership programmes building on our FSU geographical specialism to broaden the appeal of the trust and draw in support from other potential donors.

The John Smith Trust

Trustees' report for the year ended 30 September 2022

Reserves

The charity's income in the period was exclusively short-term project-based funding. To manage the uncertainty this causes, the Trustees' policy is to maintain reserves at a level sufficient to cover 6 months of management, administration and support costs. Based on the spend in these accounts this is equivalent to £88k.

At the balance sheet date, the charity's reserves (which are shown as unrestricted funds in the balance sheet) stood at £116k. The Trustees are pleased to note that after reducing our core spending commitments over the year reserves are now above the target figure.

Responsibilities of the Trustees in relation to the financial statements

The trustees (who are also the directors of The John Smith Trust for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which 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 the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

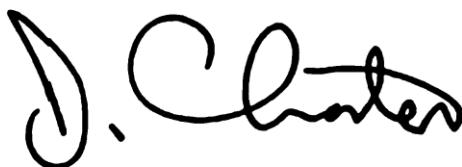
The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 auditors are 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 auditors are aware of that information.

This report was approved by the Board of Trustees on 21 June 2023 and signed on its behalf by:

the independent examiner



David Charters
Trustee

Report of the independent examiner to the members of The John Smith Trust for the year ended 30 September 2022

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 September 2022.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Narges Cyroos BSc FCA
Sterling Partners Limited
Chartered Accountants
2nd Floor Grove House
774-780 Wilmslow Road
Manchester M20 2DR

Date: 22/06/2023

The John Smith Trust

Statement of Financial Activities

for the year ended 30 September 2022

	Notes	2022 Unrestricted Funds £	2022 Restricted Funds £	2022 Total Funds £	2021 Total Funds £
Income					
Grants		23,151	225,418	248,569	234,941
Donations and legacies		-	-	-	-
Total Income	2	<u>23,151</u>	<u>225,418</u>	<u>248,569</u>	<u>234,941</u>
Expenditure					
Charitable activities		657	225,418	226,075	249,805
Total expenditure	3	<u>657</u>	<u>225,418</u>	<u>226,075</u>	<u>249,805</u>
Net income / (expenditure)		<u>22,494</u>	<u>-</u>	<u>22,494</u>	<u>(14,864)</u>
Transfers between funds		-	-	-	-
Net movement in funds		<u>22,494</u>	<u>-</u>	<u>22,494</u>	<u>(14,864)</u>
Reconciliation of funds					
Total funds brought forward		93,284	-	93,284	108,148
Total funds carried forward	7	<u><u>115,778</u></u>	<u><u>-</u></u>	<u><u>115,778</u></u>	<u><u>93,284</u></u>

The John Smith Trust
Balance Sheet
as at 30 September 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	4	936	2,212
		<u>936</u>	<u>2,212</u>
Current assets			
Debtors	5	3,017	73,669
Cash at bank and in hand		277,883	271,921
		<u>280,900</u>	<u>345,590</u>
Creditors: amounts falling due within one year	6	(166,058)	(254,518)
Net current assets		<u>114,842</u>	<u>91,072</u>
Net assets		<u>115,778</u>	<u>93,284</u>
Funds			
Unrestricted funds	7	115,778	93,284
Restricted funds		-	-
Total funds		<u>115,778</u>	<u>93,284</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2020, and the members have not required the company to obtain an audit of its financial statements for the year in accordance with Section 476 of the Act.

The Trustees acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part 1 of the Companies Act 2006 relating to charitable small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2019).

The notes on page 10 to 14 form part of these financial statements.

Approved by the Board on 21 June 2023 and signed on their behalf by



David Charters
Trustee

The John Smith Trust
Statement of Cash Flows
for the year ended 30 September 2022

	2022 £	2021 £
<i>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</i>	22,494	(14,864)
Adjustments for:		
Depreciation charges	1,276	1,275
(Increase)/decrease in debtors	70,652	(23,883)
Increase/(decrease) in creditors	(88,460)	(5,389)
Net cash provided by (used in) operating activities	<u>5,962</u>	<u>(42,861)</u>
Cash flows from investing activities		
Purchase of fixed assets	-	(2,808)
Net cash provided by (used in) investing activities	<u>-</u>	<u>(2,808)</u>
Net increase/(decrease) in cash and cash equivalents	5,962	(45,669)
Cash and cash equivalents at beginning of year	271,921	317,590
Cash and cash equivalents at end of year	<u>277,883</u>	<u>271,921</u>

The John Smith Trust

Notes to the accounts for the year ended 30 September 2022

1 Principal accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below;

(a) Basis of accounting

These financial statements have been prepared under the historical cost convention in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective January 2019 (the Charities SORP (FRS 102)), UK accounting standards, including 'Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2006. The charity is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are prepared in Sterling which is the functional currency of the charity.

(b) Fund accounting

- (i) Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- (ii) Restricted funds are subject to specific conditions imposed by the donor as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

(c) Income

All income is included in the statement of financial activities when the charity is entitled to it and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

- (i) Grants and donations are included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- (ii) Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- (iii) Donated services and facilities are included at the value to the charity where this can be quantified.
- (iv) The value of services provided by volunteers has not been included in these accounts.
- (v) Investment income is included when receivable on an accruals basis.

(d) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred, and includes any VAT which cannot be fully recovered.

- (i) Fundraising costs comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- (ii) Charitable expenditure comprises those costs incurred by the charity 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.
- (iii) Support costs relate to those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel and governance costs. These costs have been allocated to fund raising and specific areas of charitable activity on a basis consistent with the use of resources.

(e) Tangible fixed assets and depreciation

Tangible fixed assets costing over £500 (including any incidental expenses of acquisition) are capitalized. Depreciation is provided at rates calculated to write off the cost on a straight line basis over their expected useful economic life. The rate of depreciation is 33.33% per annum for all assets.

(f) Foreign currency

Transactions in foreign currencies are initially recorded in the entity's functional currency, which is pound sterling, by applying the spot exchange rate on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange on the balance sheet date. All differences are taken to the statement of financial activities.

The John Smith Trust

Notes to the accounts for the year ended 30 September 2022

2 Income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
FCDO	-	225,418	225,418	218,040
HMRC JRS grants	-	-	-	16,901
Total	-	225,418	225,418	234,941

3 Expenditure

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Charitable activities				
Salaried staff	-	134,193	134,193	140,900
Freelance staff	-	9,643	9,643	37,691
Event staging costs	-	16,265	16,265	13,358
Other direct programme costs	-	24,007	24,007	12,849
Support costs	657	41,310	41,967	45,007
Total charitable activities	657	225,418	226,075	249,805
Total expenditure	657	225,418	226,075	249,805

Support costs, as detailed below, relate to the staff and running costs of the Trust's London secretariat and are allocated on a basis consistent with the use of resources.

Support costs	Governance function £	General support £	Total 2022 £	Total 2021 £
Staff	-	18,379	18,379	19,533
Freelance staff	2,000	9,237	11,237	11,071
IT & office costs	-	6,549	6,549	9,033
Board meetings	-	-	-	18
Independent examination fee	2,200	-	2,200	2,000
Legal & professional	-	3,352	3,352	-
Other	-	250	250	3,352
	4,200	37,767	41,967	45,007

The John Smith Trust

Notes to the accounts for the year ended 30 September 2022

4 Tangible fixed assets

	Computer equipment £
Cost	
At 30 September 2021	6,282
Additions in year	-
At 30 September 2022	<u>6,282</u>
Depreciation	
At 30 September 2021	4,070
Charge for the period	1,276
At 30 September 2022	<u>5,346</u>
Net Book Value	
At 30 September 2022	<u><u>936</u></u>
<i>At 30 September 2021</i>	<u><u>2,212</u></u>

5 Debtors: amounts falling due within one year

	2022 £	2021 £
Trade debtors	-	66,399
Prepayments & accrued income	-	7,270
Other debtors	3,017	-
Total	<u>3,017</u>	<u>73,669</u>

6 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	-	1,676
Deferred Income	165,060	250,000
Accruals & other creditors	998	2,842
Total	<u>166,058</u>	<u>254,518</u>

Summary of movements in year on deferred income

	2022 £	2021 £
Balance at 1 October	250,000	250,000
Released in year	(87,140)	-
Deferred in year	-	-
Balance at 30 September	<u>162,860</u>	<u>250,000</u>

Deferred income stated above relates to income received from donors which has been used to cover time-specific programme costs (primarily staff salaries plus on costs) during the period under review.

The John Smith Trust

Notes to the accounts for the year ended 30 September 2022

7 Movements in funds

	<i>Balance at 01-Oct-21</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Transfers in / (out)</i>	<i>Balance at 30-Sep-22</i>
	£	£	£	£	£
Restricted Funds					
Wider Europe & Central Asia Programme	-	225,418	(225,418)	-	-
	<u>-</u>	<u>225,418</u>	<u>(225,418)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General funds	93,284	23,151	(657)	-	115,778
	<u>93,284</u>	<u>23,151</u>	<u>(657)</u>	<u>-</u>	<u>115,778</u>
Total funds	93,284	248,569	(226,075)	-	115,778

	<i>Balance at 30-Sep-20</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Transfers in / (out)</i>	<i>Balance at 30-Sep-21</i>
	£	£	£	£	£
Restricted Funds					
Wider Europe & Central Asia Programme	-	66,399	(66,399)	-	-
Covid Response	-	151,641	(151,641)	-	-
	<u>-</u>	<u>218,040</u>	<u>(218,040)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General funds	108,148	16,901	(31,765)	-	93,284
	<u>108,148</u>	<u>16,901</u>	<u>(31,765)</u>	<u>-</u>	<u>93,284</u>
Total funds	108,148	234,941	(249,805)	-	93,284

Wider Europe & Central Asia Programme

A fellowship programme featuring fellows from 12 FSU countries (7 in Europe and 5 in the Central Asia region). The programme ran as a traditional fellowship from October 2016 to March 2020 with funding and logistic support from the FCO. After a hiatus due to Covid the programme restarted in June 2021 initially adopting an online format developed as part of the Covid response project.

Covid Response

A series of online events involving JST fellows from across the FSU region with funding from the FCO. By discussing the pandemic and society's response to it, the project encouraged sharing of information and ideas across the region. The programme ran from July 2020 to March 2021.

The John Smith Trust

Notes to the accounts for the year ended 30 September 2022

8 Staff costs and numbers

	2022	2021
	£	£
Gross wages and salaries	132,000	138,914
Social security costs	8,844	10,406
Pension	11,728	11,113
	<u>152,572</u>	<u>160,433</u>

The average number of staff employed during the period was

5 4

The total compensation to key management personnel (see Senior Management - page 1 of these accounts) was £48,600 (2021, £46,608).

Staff costs have been analysed as:

	2022	2021
	£	£
Direct charitable expenditure	134,193	140,900
Support	18,379	19,533
	<u>152,572</u>	<u>160,433</u>

9 Trustees' remuneration and expenses

The charity did not pay to its trustees any remuneration during the year (2021, £nil) and did not reimburse any trustee expenses (2021, £nil).

10 Analysis of net assets between funds

	<i>General Funds</i>	<i>Restricted funds</i>	<i>Total funds</i>
	£	£	£
Fixed Assets	936	-	936
Current assets	115,840	165,060	280,900
Current liabilities	(998)	(165,060)	(166,058)
Net assets at 30 September 2022	<u>115,778</u>	<u>-</u>	<u>115,778</u>

11 Pensions

The charity operates an auto-enrolment pension scheme with The Peoples Pension. All employees are eligible, and the charity pays an 8% employer's contribution. Pension costs stated in note 8 and charged in the statement of Financial Activities represent the total contributions payable by the charity in the year.

THE JOHN SMITH TRUST

England & Wales - Charity number 1174898

Accounts

Charity Number: 1174898
Company Number: 7284602

The John Smith Trust

Annual Report and Accounts

For the year ended 30 September 2021

The John Smith Trust

Reference and administrative details

Trustees	The Rt Hon. Lord Alderdice David Charters Stephen Gethins MP Alex Just Craig Oliphant Baroness Smith of Gilmorehill The Hon. Catherine Smith
Senior management	Maija Paasiaro, Director
Company number	06648679
Charity number	1126222
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS
Registered office	22 Bramshill Gardens London NW5 1JH
Independent examiner	Narges Cyroos Sterling Partners Limited 2nd Floor, Grove House 774-780 Wilmslow Road Manchester M20 2DR

The John Smith Trust

Trustees' report for the year ended 30 September 2021

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 30 September 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (revised 2015).

Structure, Governance and Management

Governing Document

The John Smith Trust is a charitable company limited by guarantee, incorporated on 15 June 2010 and registered as a charity on 29 September 2017. The company is governed by its Memorandum and Articles of Association.

Organisational Structure

The directors of the charitable company are its trustees for the purpose of charity law and the members of the company limited by guarantee. Throughout this report they are collectively referred to as the trustees.

The following individuals served as trustees during the year:

The Rt Hon. Lord Alderdice
David Charters
Stephen Gethins MP
Baroness Smith of Gilmorehill
The Hon. Catherine Smith
Alex Just
Craig Oliphant

All trustees served for the full period unless otherwise stated above.

No trustees had any beneficial interest in the charity and no remuneration of trustees is paid by the charity.

The Board of Trustees is responsible for the strategic direction, policy and overall governance of the charity.

The implementation of strategy once agreed and the day to day running and management of the charity's activities is delegated to the secretariat, led by the Director.

The charitable company started trading on 24 October 2016. Prior to this, the Trust's fellowship programmes were delivered through an unincorporated charitable trust (The John Smith Trust constituted as a charitable trust under English law on 27 August 1996 and registered with the Charity Commission as charity number 1057885). After a period of in-activity the Trustees decided to re-constitute the charity's governance arrangements incorporating as a charitable company limited by guarantee. The directors of the charitable company were also the Trustees of the pre-existing charitable trust, until that trust was formally dissolved on 20 February 2019.

Recruitment and appointment of new trustees

New Trustees are recruited by the Board who consider the skills currently available and then identify the requirements of any additional or replacement trustee. Potential trustees are invited to preliminary discussions with at least two current trustees and the Director. On successful appointment of a trustee, the Director provides documentary and verbal induction material to introduce the trustee to the workings and objectives of the charity.

Objectives and principal activities

The Trust works to advance the education of the public in political sciences, in particular in relation to democratic systems of government and the rule of law.

The John Smith Trust

Trustees' report for the year ended 30 September 2021

In furtherance of its charitable objectives, the Trust carries out a range of activities which are summarised below.

Activities and Achievements

The John Smith Trust contributes to the development of sustainable, fair and inclusive societies in Eastern Europe, the Caucasus and Central Asia. Through our fellowship programmes and network activities, we inspire and nurture a collaborative community of leaders and change-makers working on governance, social justice and climate action to improve the well-being of their societies.

Through its fellowship programmes the Trust has developed a highly successful model for building leadership capacity and a network where good governance and public service are key values. Candidates are only selected if they have demonstrated that they have the ability or are in positions where there is the potential for them to effect change through the implementation of year-long action plans/projects. This is assessed by examining the type of organisation within which they work (and its commitment to the public good), their ability to influence change within that organisation or across society more broadly and their openness to reflect on new ideas and benefit from the fellowship.

The traditional John Smith fellowship involves a year-long engagement with a four week UK based residential programme at its heart. This offers participants the chance to explore collectively and individually how politics, business, public administration and culture work (or fail) in another national environment. UK experience is a major focus yet many of the speakers (who represent all sectors of UK society) have international expertise. Crucially, each of the participants submits an Action plan – or project – which they have the chance to develop and explore during their 4 weeks in the UK. These plans are then implemented on their return. The majority of plans have a direct relevance to helping build rules-based, people-focused policy and practices.

Until 2011 the programme drew its fellows exclusively from the former Soviet Union (FSU). From 2012-2015 the Trust also worked in the Middle East and North Africa (MENA) region on a programme funded by the UK Government's Foreign and Commonwealth Office (FCO). From 2017 to 2019, the Trust ran two annual fellowship programmes for 12 FSU countries with the support of the FCO: one for 25 fellows from Wider Europe (Armenia, Azerbaijan, Belarus, Georgia, Moldova, Russia and Ukraine); and one for 25 fellows from Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan).

This steady stream of approximately 50 new fellows per year reinvigorated the Trust's Alumni network. Since 2018, the Trust has also launched a programme of alumni events to harness and develop this renewed engagement. 'Alumni Ideas Exchange' events took place in Tbilisi in 2018, Bishkek in 2019 and (although originally planned to take place in Kyiv) online in March 2020. JST has put great effort into building the means for its Alumni network to connect, share and collaborate outside formal events. The intention has been to allow for greater connectivity between JST fellows, staff and the JST's wider network of supporters, to increase JST's 'offer' to its fellows and to allow JST to sustain its work and impact outside of programme periods.

During the 2020-2021 pandemic (the period under review), the Trust focused its efforts solely on developing an online community of programme alumni in the FSU region by offering webinars with UK experts, practical thematic online discussions and informal networking opportunities. Through the JST's online network activities, fellows were able to access practical support, share skills, ideas and knowledge and exchange reliable information across the FSU region and the UK. The network has proved an effective platform for support and communication during the early months of the pandemic and was put to good use during further crises and instability in the region. The connections built online over the last couple of years have enabled the Trust to re-establish contact with many of its past programme participants and provided a solid foundation for collaboration and joint projects addressing governance, rule of law and social justice challenges in the region. The Trust has further built upon these achievements through online and face-to-face engagement in 2021, including by supporting smaller-scale alumni ideas exchange events proposed by groups of fellows. The new opportunities for network activities and collaborative online community-building will be incorporated into future residential fellowship programmes. These are anticipated to commence in 2022.

The John Smith Trust

Trustees' report for the year ended 30 September 2021

As discussed under *Organisational Structure* above this is the fifth period of trading for the charitable company having replaced a pre-existing charitable trust of the same name. The decision to incorporate the Trust followed a period of uncertainty that saw the charitable trust close its office and release its staff team in response to a lull in funding. Subsequent programmes were managed initially by Trustees supported by a team of freelance staff, in 2018 the Trust started to re-build a core team of employed staff and this trajectory has continued in the current reporting period. The Trust now has five permanent staff. The Trustees remain acutely aware of the funding risks faced by the new charitable company, especially as the charity is now in start-up mode with a single project fully funded by one donor, but wish to balance that risk with commitment to the new staff team.

Public Benefit

The Trust carries out a range of activities in furtherance of its charitable objectives, as detailed under Activities and Achievements above. Having reviewed the Charity Commission's general guidance on public benefit, the Trustees consider that these activities provide benefit both to the charity's direct beneficiaries, the John Smith fellows, and to the wider public both in the UK and abroad.

Risk Management

The Trustees regularly review the risks the charity faces and are satisfied that systems are in place to mitigate their exposure to the major risks.

Future Plans

The Trustees have agreed a 'direction of travel' for the coming years including:

- Relaunch of updated and adapted residential fellowship programmes for the post-pandemic world, which incorporates the learning and opportunities opened up by our online alumni community-building activities and reflects the changing global context, including increased polarization, populism and instability as well as the climate emergency.
- Development of internal governance structures to ensure greater involvement by programme participants (i.e. Fellows), better fundraising capability and better representation of modern Britain.
- Diversification of income sources.

Financial review

In financial terms this was another challenging year for the charity. The FCO's funding of our flagship fellowship programme was paused halfway through the previous year leaving the charity with no income except the furlough grant for four months of that year. In the year under review funding was received for a series of short-term projects as we developed the new virtual approach discussed above, but at a level significantly lower than the previous year. This means that income having fell by 45% / £190k to £235k (2020, £425k). This represents just 24% of the £968k income we received in the year to 30 September 2019.

Spend also fell, by 51% or £257k to £250k (2020, £507k) due mainly to the move to online delivery of programmes and partially to an ever more careful management of spend necessitated by the fall in income.

The combined effect was a loss of £15k in year (2020, £82k). which meant that for a second successive year the charity had to dig into its reserves to maintain operations, albeit at a more sustainable level than was required last year.

The Trustees are aware that this investment of reserves has reduced their room for manoeuvre in future years. Negotiations with FCDO are ongoing for a return to annual funding from 2022 which if successful will give the charity much greater certainty in the period ahead however events in Ukraine have added a major degree of uncertainty to the process.

Reserves

The charity's income in the period was exclusively short-term project-based funding. To manage the uncertainty this causes, the Trustees' policy is to maintain reserves at a level sufficient to cover 6 months of management, administration and support costs. Based on the spend in these accounts this is equivalent to £125k.

The John Smith Trust

Trustees' report for the year ended 30 September 2021

At the balance sheet date, the charity's reserves (which are shown as unrestricted funds in the balance sheet) stood at £93k. The Trustees note that after 2 years of significant investment of reserves, the amount held has fallen below their target but in broad terms continues to be in line with the charity's policy given the reduction in core spending.

Responsibilities of the Trustees in relation to the financial statements

The trustees (who are also the directors of The John Smith Trust for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which 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 the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

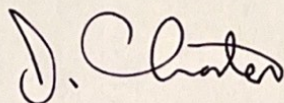
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 auditors are 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 auditors are aware of that information.

This report was approved by the Board of Trustees on 5 May 2022 and signed on its behalf by:



David Charters
Trustee

Report of the independent examiner to the members of The John Smith Trust for the year ended 30 September 2021

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 September 2021.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Narges Cyroos BSc FCA
Sterling Partners Limited
Chartered Accountants
2nd Floor Grove House
774-780 Wilmslow Road
Manchester M20 2DR

Date: 31 May 2022.....

The John Smith Trust

Statement of Financial Activities

for the year ended 30 September 2021

	Notes	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Income					
Grants		16,901	218,040	234,941	424,345
Donations and legacies		-	-	-	323
Total Income	2	<u>16,901</u>	<u>218,040</u>	<u>234,941</u>	<u>424,668</u>
Expenditure					
Charitable activities		31,765	218,040	249,805	506,930
Total expenditure	3	<u>31,765</u>	<u>218,040</u>	<u>249,805</u>	<u>506,930</u>
Net income / (expenditure)		<u>(14,864)</u>	<u>-</u>	<u>(14,864)</u>	<u>(82,262)</u>
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(14,864)</u>	<u>-</u>	<u>(14,864)</u>	<u>(82,262)</u>
Reconciliation of funds					
Total funds brought forward		108,148	-	108,148	190,410
Total funds carried forward	7	<u><u>93,284</u></u>	<u><u>-</u></u>	<u><u>93,284</u></u>	<u><u>108,148</u></u>

The John Smith Trust
Balance Sheet
as at 30 September 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	4	2,212	679
		<u>2,212</u>	<u>679</u>
Current assets			
Debtors	5	73,669	49,786
Cash at bank and in hand		271,921	317,590
		<u>345,590</u>	<u>367,376</u>
Creditors: amounts falling due within one year	6	(254,518)	(259,907)
Net current assets		<u>91,072</u>	<u>107,469</u>
Net assets		<u>93,284</u>	<u>108,148</u>
Funds			
Unrestricted funds	7	93,284	108,148
Restricted funds		-	-
Total funds		<u>93,284</u>	<u>190,410</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2020, and the members have not required the company to obtain an audit of its financial statements for the year in accordance with Section 476 of the Act.

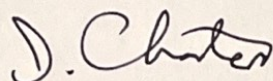
The Trustees acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part 1 of the Companies Act 2006 relating to charitable small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2019).

The notes on page 10 to 14 form part of these financial statements.

Approved by the Board on 5 May 2022 and signed on their behalf by



David Charters
Trustee

The John Smith Trust
Statement of Cash Flows
for the year ended 30 September 2021

	2021 £	2020 £
<i>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</i>	(14,864)	(82,262)
Adjustments for:		
Depreciation charges	1,275	339
(Increase)/decrease in debtors	(23,883)	226,624
Increase/(decrease) in creditors	(5,389)	(81,620)
Net cash provided by (used in) operating activities	<u>(42,861)</u>	<u>63,081</u>
Cash flows from investing activities		
Purchase of fixed assets	(2,808)	(1,018)
Net cash provided by (used in) investing activities	<u>(2,808)</u>	<u>(1,018)</u>
Net increase/(decrease) in cash and cash equivalents	(45,669)	62,063
Cash and cash equivalents at beginning of year	317,590	255,527
Cash and cash equivalents at end of year	<u>271,921</u>	<u>317,590</u>

The John Smith Trust

Notes to the accounts for the year ended 30 September 2021

1 Principal accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below;

(a) Basis of accounting

These financial statements have been prepared under the historical cost convention in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective January 2019 (the Charities SORP (FRS 102)), UK accounting standards, including 'Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2006. The charity is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are prepared in Sterling which is the functional currency of the charity.

(b) Fund accounting

- (i) Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- (ii) Restricted funds are subject to specific conditions imposed by the donor as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

(c) Income

All income is included in the statement of financial activities when the charity is entitled to it and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

- (i) Grants and donations are included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- (ii) Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- (iii) Donated services and facilities are included at the value to the charity where this can be quantified.
- (iv) The value of services provided by volunteers has not been included in these accounts.
- (v) Investment income is included when receivable on an accruals basis.

(d) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred, and includes any VAT which cannot be fully recovered.

- (i) Fundraising costs comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- (ii) Charitable expenditure comprises those costs incurred by the charity 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.
- (iii) Support costs relate to those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel and governance costs. These costs have been allocated to fund raising and specific areas of charitable activity on a basis consistent with the use of resources.

(e) Tangible fixed assets and depreciation

Tangible fixed assets costing over £500 (including any incidental expenses of acquisition) are capitalized. Depreciation is provided at rates calculated to write off the cost on a straight line basis over their expected useful economic life. The rate of depreciation is 33.33% per annum for all assets.

(f) Foreign currency

Transactions in foreign currencies are initially recorded in the entity's functional currency, which is pound sterling, by applying the spot exchange rate on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange on the balance sheet date. All differences are taken to the statement of financial activities.

The John Smith Trust

Notes to the accounts for the year ended 30 September 2021

2 Income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Foreign & Commonwealth Office	-	218,040	218,040	403,641
HMRC JRS grants	16,901	-	16,901	20,704
Donations	-	-	-	323
Total	16,901	218,040	234,941	424,668

3 Expenditure

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Charitable activities				
Staff	-	140,900	140,900	134,235
Freelance staff	-	37,691	37,691	61,123
Fellows travel & accomodation costs	-	-	-	80,426
Online events	-	13,358	13,358	-
Other direct programme costs	-	12,849	12,849	126,244
Support costs	31,765	13,242	45,007	104,902
Total charitable activities	31,765	218,040	249,805	506,930
Total expenditure	31,765	218,040	249,805	506,930

Support costs, as detailed below, relate to the staff and running costs of the Trust's London secretariat and are allocated on a basis consistent with the use of resources.

Support costs	Governance function £	General support £	Total 2021 £	Total 2020 £
Staff	-	19,533	19,533	43,344
Freelance staff	2,000	9,071	11,071	23,468
Board meetings	18	-	18	-
Independent examination fee	2,000	-	2,000	2,000
IT & office costs	-	9,033	9,033	3,395
Other	-	3,352	3,352	32,695
	4,018	40,989	45,007	104,902

The John Smith Trust

Notes to the accounts for the year ended 30 September 2021

4 Tangible fixed assets

	Computer equipment £
Cost	
At 30 September 2020	3,474
Additions in year	2,808
At 30 September 2021	<u>6,282</u>
Depreciation	
At 30 September 2020	2,795
Charge for the period	1,275
At 30 September 2021	<u>4,070</u>
Net Book Value	
At 30 September 2021	<u><u>2,212</u></u>
<i>At 30 September 2020</i>	<u><u>679</u></u>

5 Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	66,399	-
Prepayments & accrued income	7,270	44,712
Other debtors	-	5,074
Total	<u>73,669</u>	<u>49,786</u>

6 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,676	7,767
Deferred Income	250,000	250,000
Accruals & other creditors	2,842	2,140
Total	<u>254,518</u>	<u>259,907</u>

Summary of movements in year on deferred income

	2021 £	2020 £
Balance at 1 October	250,000	250,000
Released in year	-	-
Deferred in year	-	-
Balance at 30 September	<u>250,000</u>	<u>250,000</u>

7 Movements in funds

The John Smith Trust

Notes to the accounts for the year ended 30 September 2021

	<i>Balance at 30-Sep-20</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Transfers in / (out)</i>	<i>Balance at 30-Sep-21</i>
	£	£	£	£	£
Restricted Funds					
Wider Europe & Central Asia Programme	-	66,399	(66,399)	-	-
Covid Response	-	151,641	(151,641)	-	-
	<u>-</u>	<u>218,040</u>	<u>(218,040)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General funds	108,148	16,901	(31,765)	-	93,284
	<u>108,148</u>	<u>16,901</u>	<u>(31,765)</u>	<u>-</u>	<u>93,284</u>
Total funds	108,148	234,941	(249,805)	-	93,284

	<i>Balance at 01-Oct-19</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Transfers in / (out)</i>	<i>Balance at 30-Sep-20</i>
	£	£	£	£	£
Restricted Funds					
Wider Europe & Central Asia Programme	-	332,075	(332,075)	-	-
Covid Response	-	38,359	(38,359)	-	-
	<u>-</u>	<u>370,434</u>	<u>(370,434)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General funds	190,410	54,234	(136,496)	-	108,148
	<u>190,410</u>	<u>54,234</u>	<u>(136,496)</u>	<u>-</u>	<u>108,148</u>
Total funds	190,410	424,668	(506,930)	-	108,148

Wider Europe & Central Asia Programme

A fellowship programme featuring fellows from 12 FSU countries (7 in Europe and 5 in the Central Asia region). The programme ran as a traditional fellowship from October 2016 to March 2020 with funding and logistic support from the FCO. After a hiatus due to Covid the programme restarted in June 2021 adopting an online format developed as part of the Covid response project.

Covid Response

A series of online events involving JST fellows from across the FSU region with funding from the FCO. By discussing the pandemic and society's response to it, the project encouraged sharing of information and ideas across the region. The programme ran from July 2020 to March 2021.

The John Smith Trust

Notes to the accounts for the year ended 30 September 2021

8 Staff costs and numbers

	2021	2020
	£	£
Gross wages and salaries	138,914	153,033
Social security costs	10,406	12,304
Pension	11,113	12,243
	160,433	177,579

The average number of staff employed during the period was

4 4

The total compensation to key management personnel (see Senior Management - page 1 of these accounts) was £43,155 (2020, £48,986).

Staff costs have been analysed as:

	2021	2020
	£	£
Direct charitable expenditure	140,900	134,235
Support	19,533	43,344
	160,433	177,579

9 Trustees' remuneration and expenses

The charity did not pay to its trustees any remuneration during the year (2020, £nil) and did not reimburse any trustee expenses. In 2020, 2 trustees received a combined total of £495 for travel expenses incurred in carrying out their duties as trustees.

10 Analysis of net assets between funds

	<i>General Funds</i>	<i>Restricted funds</i>	<i>Total funds</i>
	£	£	£
Fixed Assets	2,212	-	2,212
Current assets	95,590	250,000	345,590
Current liabilities	(4,518)	(250,000)	(254,518)
Net assets at 30 September 2021	93,284	-	93,284

11 Pensions

The charity operates an auto-enrolment pension scheme with The Peoples Pension. All employees are eligible, and the charity pays an 8% employer's contribution. Pension costs stated in note 8 and charged in the statement of Financial Activities represent the total contributions payable by the charity in the year.

THE JOHN SMITH TRUST

England & Wales - Charity number 1174898

Accounts

Charity Number: 1174898
Company Number: 7284602

The John Smith Trust

Annual Report and Accounts

For the year ended 30 September 2020

The John Smith Trust

Reference and administrative details

Trustees	The Rt Hon. Lord Alderdice David Charters Stephen Gethins MP Alex Just Craig Oliphant Baroness Smith of Gilmorehill The Hon. Catherine Smith
Senior management	Maija Paasiaro, Director
Company number	06648679
Charity number	1126222
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS
Registered office	22 Bramshill Gardens London NW5 1JH
Independent examiner	Narges Cyroos Sterling Partners Limited 2nd Floor, Grove House 774-780 Wilmslow Road Manchester M20 2DR

The John Smith Trust

Trustees' report for the year ended 30 September 2020

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 30 September 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (revised 2015).

Structure, Governance and Management

Governing Document

The John Smith Trust is a charitable company limited by guarantee, incorporated on 15 June 2010 and registered as a charity on 29 September 2019. The company is governed by its Memorandum and Articles of Association.

Organisational Structure

The directors of the charitable company are its trustees for the purpose of charity law and the members of the company limited by guarantee. Throughout this report they are collectively referred to as the trustees.

The following individuals served as trustees during the year:

The Rt Hon. Lord Alderdice	
David Charters	
Stephen Gethins MP	
Baroness Smith of Gilmorehill	
The Hon. Catherine Smith	
Alex Just	(appointed October 2019)
Craig Oliphant	

All trustees served for the full period unless otherwise stated above.

No trustees had any beneficial interest in the charity and no remuneration of trustees is paid by the charity.

The Board of Trustees is responsible for the strategic direction, policy and overall governance of the charity.

The implementation of strategy once agreed and the day to day running and management of the charity's activities is delegated to the secretariat, led by the Director.

This is the third period of trading for the charitable company, which started trading on 24 October 2016. Prior to this, the Trust's fellowship programmes were delivered through an unincorporated charitable trust (The John Smith Trust constituted as a charitable trust under English law on 27 August 1996 and registered with the Charity Commission as charity number 1057885). After a period of in-activity the Trustees decided to re-constitute the charity's governance arrangements incorporating as a charitable company limited by guarantee. The directors of the charitable company were also the Trustees of the pre-existing charitable trust, until that trust was formally dissolved on 20 February 2019.

Objectives and principal activities

The Trust works to advance the education of the public in political sciences, in particular in relation to democratic systems of government and the rule of law.

In furtherance of its charitable objectives, the Trust carries out a range of activities which are summarised below.

Activities and Achievements

The Trust seeks to promote good governance, social justice and the rule of law by nurturing 'emerging' leaders (drawn from public, private and not-for-profit sectors) committed to making a positive contribution to their countries and societies.

The John Smith Trust

Trustees' report for the year ended 30 September 2020

Through its fellowship programmes the Trust has developed a highly successful model for building leadership capacity and a network where good governance and public service are key values. Candidates are only selected if they have demonstrated that they have the ability or are in positions where there is the potential for them to effect change through the implementation of year-long action plans/projects. This is assessed by examining the type of organisation within which they work (and its commitment to the public good), their ability to influence change within that organisation or across society more broadly and their openness to reflect on new ideas and benefit from the fellowship.

The traditional John Smith fellowship involves a year-long engagement with a four week UK based residential programme at its heart. This offers participants the chance to explore collectively and individually how politics, business, public administration and culture work (or fail) in another national environment. UK experience is a major focus yet many of the speakers (who represent all sectors of UK society) have international expertise. Critically, each of the participants submits an Action plan – or project – which they have the chance to develop and explore during their 4 weeks in the UK. These plans are then implemented on their return. The majority of plans have a direct relevance to helping build stronger states and civil societies.

Until 2011 the programme drew its fellows exclusively from the former Soviet Union (FSU). From 2012-2015 the Trust also worked in the Middle East and North Africa (MENA) region on a programme funded by the UK Government's Foreign and Commonwealth Office (FCO). Since 2017, the Trust has been running two annual fellowship programmes for 12 FSU countries with the support of the FCO: one for 25 fellows from Wider Europe (Armenia, Azerbaijan, Belarus, Georgia, Moldova, Russia and Ukraine); and one for 25 fellows from Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan).

This steady stream of approximately 50 new fellows per year has reinvigorated the Trust's Alumni network. Since 2018, the Trust has also launched a programme of alumni events to harness and develop this renewed engagement. 'Alumni Ideas Exchange' events took place in Tbilisi in 2018, Bishkek in 2019 and (although originally planned to take place in Kyiv) online in March 2020. JST has put great effort into building the means for its Alumni network to connect, share and collaborate outside formal events. The intention has been to allow for greater connectivity between JST fellows, staff and the JST's wider network of supporters, to increase JST's 'offer' to its fellows and to allow JST to sustain its work and impact outside of programme periods. In 2019/2020 this work included a website and branding overhaul and the development of a new alumni online networking platform.

During the period under review, the Trust ran one fellowship programme in November 2019 for a cohort of 25 fellows from 5 Central Asian countries with funding from the FCO. The Trust was set to start recruitment for the next cohort of Fellows from Wider Europe in March 2020 when the COVID-19 pandemic caused all in-person programming to be put on hold. Due to the pandemic, the FCO was not able to allocate funds that had been earmarked for running JST programmes in 2020/21 and thus the Trust faced a period of financial uncertainty from April to July 2020. From July onwards, the Trust was able to secure short-term funding to deliver online alumni support and engagement activities.

During the 2020 global lockdown, the Trust has been able to develop its nascent online community of fellows in the FSU region by offering webinars with UK experts, practical thematic online discussions and informal networking opportunities. Through the JST's online facilitation of the network, fellows have been able to access practical support, share skills, ideas and knowledge and exchange reliable information across the FSU region and the UK. The connections built online provide a solid foundation for future collaboration and joint projects addressing governance, rule of law and social justice challenges in the region. The Trust intends to build upon these achievements through further online and face-to-face engagement in 2021.

As discussed under *Organisational Structure* above this is the fourth period of trading for the charitable company having replaced a pre-existing charitable trust of the same name. The decision to incorporate the Trust followed a period of uncertainty that saw the charitable trust close its office and release its staff team in response to a lull in funding. Subsequent programmes were managed initially by Trustees supported by a team of freelance staff, in 2018 the Trust started to re-build a core team of employed staff. The Trustees remain acutely aware of the funding risks faced by the new charitable company, especially as the charity

The John Smith Trust

Trustees' report for the year ended 30 September 2020

is now in start-up mode with a single project fully funded by one donor, but wish to balance that risk with commitment to the new staff team.

Public Benefit

The Trust carries out a range of activities in furtherance of its charitable objectives, as detailed under Activities and Achievements above. Having reviewed the Charity Commission's general guidance on public benefit, the Trustees consider that these activities provide benefit both to the charity's direct beneficiaries, the John Smith fellows, and to the wider public both in the UK and abroad.

Risk Management

The Trustees regularly review the risks the charity faces and are satisfied that systems are in place to mitigate their exposure to the major risks.

In 2019 the charity brought in several new HR and employment policies based on established best practice in the charity sector. A staff handbook was produced for all salaried staff members and new contracts of employment written and agreed by Trustees.

Future Plans

The Trustees had developed a strategy for the coming years including:

- The ongoing development and implementation of the Wider Europe and Central Asia fellowship programme
- Continued expansion of the alumni engagement programme
- Diversification of income sources

However, the timing and nature of these activities will depend on the opportunities available in the post-Covid world.

Financial review

In financial terms this was a challenging year for the charity. The FCO's funding of our flagship fellowship programme was about to be renewed for the 2020/21 government financial year when the UK entered its first lockdown in March 2020. Given the international travel involved in the fellowship programme the FCO paused funding whilst the new virtual approach discussed above was developed.

The only income received by the Trust between April and July 2020 was the furlough grant. From July onwards we received a series of short-term contracts from the FCO / FCDO although this support was not at a level to cover the charity's ongoing costs. Overall income fell by £542k or 56% to £426k (2019, £968k), and as a result the charity had to cut back on spend and dig into its reserves to avoid redundancies. This led to a loss of £82k in year and reserves falling from £190k to £108k.

The Trustees are aware that this investment of reserves has reduced their room for manoeuvre in future years and cannot be repeated in 2021. However, negotiations with FCO are ongoing for a return to annual funding from May 2021 which if successful will give the charity much greater certainty for the period ahead.

Reserves

The charity's income in the period was exclusively short-term project-based funding. To manage the uncertainty this causes, the Trustees' policy is to maintain reserves at a level sufficient to cover 6 months of management, administration and support costs. Based on the charity's budget for the 2020-21 financial year this is equivalent to £122k.

At the balance sheet date, the charity's reserves (which are shown as unrestricted funds in the balance sheet) stood at £108k. The Trustees are pleased to note that after a year of significant investment of reserves, the amount held continues to be in line with the charity's policy, reflecting reduced core spending. The Trustees expect that the disruption caused by the coronavirus pandemic may lead to another, smaller, reduction of reserves in the year ahead.

The John Smith Trust

Trustees' report for the year ended 30 September 2020

Responsibilities of the Trustees in relation to the financial statements

The trustees (who are also the directors of The John Smith Trust for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which 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 the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

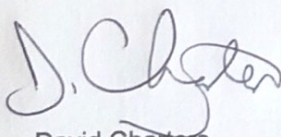
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 auditors are 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 auditors are aware of that information.

This report was approved by the Board of Trustees on 8 June 2021 and signed on its behalf by:



David Charters
Trustee

Report of the independent examiner to the members of The John Smith Trust for the year ended 30 September 2020

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 September 2020.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Narges Cyroos BSc FCA
Sterling Partners Limited
Chartered Accountants
2nd Floor Grove House
774-780 Wilmslow Road
Manchester M20 2DR

Date: 16th June 2021

The John Smith Trust
Statement of Financial Activities
for the year ended 30 September 2020

	Notes	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Income					
Grants		53,911	370,434	424,345	968,235
Donations and legacies		323	-	323	-
Total Income	2	<u>54,234</u>	<u>370,434</u>	<u>424,668</u>	<u>968,235</u>
Expenditure					
Charitable activities		136,496	370,434	506,930	897,218
Total expenditure	3	<u>136,496</u>	<u>370,434</u>	<u>506,930</u>	<u>897,218</u>
Net income / (expenditure)		<u>(82,262)</u>	<u>-</u>	<u>(82,262)</u>	<u>71,017</u>
Transfers between funds		-	-	-	-
Net movement in funds		<u>(82,262)</u>	<u>-</u>	<u>(82,262)</u>	<u>71,017</u>
Reconciliation of funds					
Total funds brought forward		190,410	-	190,410	119,393
Total funds carried forward	7	<u><u>108,148</u></u>	<u><u>-</u></u>	<u><u>108,148</u></u>	<u><u>190,410</u></u>

The John Smith Trust
Balance Sheet
as at 30 September 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	4	679	-
		<u>679</u>	<u>-</u>
Current assets			
Debtors	5	49,786	276,410
Cash at bank and in hand		317,590	255,527
		<u>367,376</u>	<u>531,937</u>
Creditors: amounts falling due within one year	6	(259,907)	(341,527)
		<u>107,469</u>	<u>190,410</u>
Net current assets			
		<u>108,148</u>	<u>190,410</u>
Net assets			
Funds			
Unrestricted funds		108,148	190,410
Restricted funds		-	-
		<u>108,148</u>	<u>190,410</u>
Total funds			
		<u>108,148</u>	<u>190,410</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2020, and the members have not required the company to obtain an audit of its financial statements for the year in accordance with Section 476 of the Act.

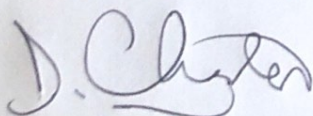
The Trustees acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part 14 of the Companies Act 2006 relating to charitable small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2019).

The notes on page 10 to 14 form part of these financial statements.

Approved by the Board on 8 June 2021 and signed on their behalf by



David Charters
Trustee

The John Smith Trust
Statement of Cash Flows
for the year ended 30 September 2020

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	(82,262)	71,017
Adjustments for:		
Depreciation charges	339	818
(Increase)/decrease in debtors	226,624	(115,499)
Increase/(decrease) in creditors	(81,620)	(43,939)
Net cash provided by (used in) operating activities	<u>63,081</u>	<u>(87,603)</u>
Cash flows from investing activities		
Purchase of fixed assets	(1,018)	-
Net cash provided by (used in) investing activities	<u>(1,018)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	62,063	(87,603)
Cash and cash equivalents at beginning of year	255,527	343,130
Cash and cash equivalents at end of year	<u>317,590</u>	<u>255,527</u>

The John Smith Trust

Notes to the accounts for the year ended 30 September 2020

1 Principal accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below;

(a) Basis of accounting

These financial statements have been prepared under the historical cost convention in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective January 2019 (the Charities SORP (FRS 102)), UK accounting standards, including 'Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2006. The charity is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are prepared in Sterling which is the functional currency of the charity.

(b) Fund accounting

- (i) Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- (ii) Restricted funds are subject to specific conditions imposed by the donor as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

(c) Income

All income is included in the statement of financial activities when the charity is entitled to it and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

- (i) Grants and donations are included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- (ii) Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- (iii) Donated services and facilities are included at the value to the charity where this can be quantified.
- (iv) The value of services provided by volunteers has not been included in these accounts.
- (v) Investment income is included when receivable on an accruals basis.

(d) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred, and includes any VAT which cannot be fully recovered.

- (i) Fundraising costs comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- (ii) Charitable expenditure comprises those costs incurred by the charity 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.
- (iii) Support costs relate to those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel and governance costs. These costs have been allocated to fund raising and specific areas of charitable activity on a basis consistent with the use of resources.

(e) Tangible fixed assets and depreciation

Tangible fixed assets costing over £500 (including any incidental expenses of acquisition) are capitalized. Depreciation is provided at rates calculated to write off the cost on a straight line basis over their expected useful economic life. The rate of depreciation is 33.33% per annum for all assets.

(f) Foreign currency

Transactions in foreign currencies are initially recorded in the entity's functional currency, which is pound sterling, by applying the spot exchange rate on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange on the balance sheet date. All differences are taken to the statement of financial activities.

The John Smith Trust

Notes to the accounts for the year ended 30 September 2020

2 Income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Foreign & Commonwealth Office	33,207	370,434	403,641	968,235
HMRC JRS grants	20,704	-	20,704	-
Donations	323	-	323	-
Total	54,234	370,434	424,668	968,235

3 Expenditure

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Charitable activities				
Staff	72,516	61,719	134,235	7,902
Freelance staff	2,100	59,023	61,123	252,477
Fellows travel & accomodation costs	-	80,426	80,426	359,729
Other direct programme costs	403	125,841	126,244	207,591
Support costs	61,477	43,425	104,902	69,519
Total charitable activities	136,496	370,434	506,930	897,218
Total expenditure	136,496	370,434	506,930	897,218

Support costs, as detailed below, relate to the staff and running costs of the Trust's London secretariat and are allocated on a basis consistent with the use of resources.

	Governance function £	General support £	Total 2020 £	Total 2019 £
Staff	-	43,344	43,344	39,531
Freelance staff	-	23,468	23,468	9,856
Board meetings	-	-	-	1,695
Independent examination fee	2,000	-	2,000	2,000
IT	-	3,395	3,395	713
Other	4,045	28,650	32,695	15,724
	6,045	98,857	104,902	69,519

The John Smith Trust

Notes to the accounts for the year ended 30 September 2020

4 Tangible fixed assets

	Computer equipment £
Cost	
At 30 September 2019	2,456
Additions in year	1,018
At 30 September 2020	<u>3,474</u>
Depreciation	
At 30 September 2019	2,456
Charge for the period	339
At 30 September 2020	<u>2,795</u>
Net Book Value	
At 30 September 2020	<u>679</u>
At 30 September 2019	<u>-</u>

5 Debtors: amounts falling due within one year

	2020 £	2019 £
Trade debtors	-	275,353
Accrued income	38,359	-
Prepayments	6,353	1,057
Other debtors	5,074	-
Total	<u>49,786</u>	<u>276,410</u>

6 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	7,767	80,742
Taxation and social security	-	4,382
Deferred Income	250,000	250,000
Accruals & other creditors	2,140	6,403
Total	<u>259,907</u>	<u>341,527</u>

Summary of movements in year on deferred income

	2020 £	2019 £
Balance at 1 October	250,000	250,000
Released in year	-	-
Deferred in year	-	-
Balance at 30 September	<u>250,000</u>	<u>250,000</u>

The John Smith Trust

Notes to the accounts for the year ended 30 September 2020

7 Movements in funds

	<i>Balance at 01-Oct-19</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Transfers in / (out)</i>	<i>Balance at 30-Sep-20</i>
	£	£	£	£	£
Restricted Funds					
Wider Europe & Central Asia Programme	-	332,075	(332,075)	-	-
Covid Response	-	38,359	(38,359)	-	-
	<u>-</u>	<u>370,434</u>	<u>(370,434)</u>	<u>-</u>	<u>-</u>

Unrestricted funds

General funds	190,410	54,234	(136,496)	-	108,148
	<u>190,410</u>	<u>54,234</u>	<u>(136,496)</u>	<u>-</u>	<u>108,148</u>

Total funds

	<u>190,410</u>	<u>424,668</u>	<u>(506,930)</u>	<u>-</u>	<u>108,148</u>
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	<i>Balance at 01-10-18</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Transfers in / (out)</i>	<i>Balance at 30-09-19</i>
	£	£	£	£	£
Restricted Funds					
Wider Europe & Central Asia Programme	-	880,141	(880,141)	-	-
	<u>-</u>	<u>880,141</u>	<u>(880,141)</u>	<u>-</u>	<u>-</u>

Unrestricted funds

General funds	119,393	88,094	(17,077)	-	190,410
	<u>119,393</u>	<u>88,094</u>	<u>(17,077)</u>	<u>-</u>	<u>190,410</u>

Total funds

	<u>119,393</u>	<u>968,235</u>	<u>(897,218)</u>	<u>-</u>	<u>190,410</u>
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Wider Europe & Central Asia Programme

A fellowship programme featuring 7 cohorts of fellows from 12 FSU countries (7 in Europe and 5 in the Central Asia region). The programme ran from October 2016 to March 2020 with funding and logistic support from the FCO.

Covid Response

A series of online events involving JST fellows from across the FSU region with funding from the FCO. By discussing the pandemic and society's response to it, the project seeks to encourage sharing of information and ideas across the region.

The John Smith Trust

Notes to the accounts for the year ended 30 September 2020

8 Staff costs and numbers

	2020	2019
	£	£
Gross wages and salaries	153,033	44,246
Social security costs	12,304	123
Pension	12,243	3,064
	177,579	47,433

The average number of staff employed during the period was 4 (2019: 1)

The total compensation to key management personnel (see page 1 of these accounts) was £48,986 (2019, £41,608)

Staff costs have been analysed as:

	2020	2019
	£	£
Direct charitable expenditure	134,235	7,902
Support	43,344	39,531
	177,579	47,433

9 Trustees' remuneration and expenses

The charity did not pay to its trustees any remuneration during the year but did reimburse 1 trustee (2019: 2) a total of £495 for travel expenses incurred in carrying out their duties as trustees (2019, £829).

10 Analysis of net assets between funds

	<i>General Funds</i>	<i>Restricted funds</i>	<i>Total funds</i>
	£	£	£
Fixed Assets	679	-	679
Current assets	117,376	250,000	367,376
Current liabilities	(9,907)	(250,000)	(259,907)
Net assets at 30 September 2020	108,148	-	108,148

11 Pensions

The charity operates an auto-enrolment pension scheme with The Peoples Pension. All employees are eligible, and the charity pays an 8% employer's contribution. Pension costs stated in note 8 and charged in the statement of Financial Activities represent the total contributions payable by the charity in the year.