

**The Family Trust (Formerly SM
Foundation)**

Annual Report and Financial Statements

For the year ended 31 December 2020

The Family Trust (Formerly SM Foundation)

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The Family Trust (Formerly SM Foundation)

Trustees' report

For the year ended 31 December 2020

Introduction

This is the 2020 annual report of the trustees of The Family Trust (Formerly SM Foundation) (TFT). It is presented together with a trustees' responsibilities statement on page 5, the independent auditor's report on pages 6 to 8 and the TFT financial statements for the year ended 31 December 2020 on pages 9 to 15.

The TFT financial statements for the year ended 31 December 2020 have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP) 2016, and applicable UK accounting standards FRS 102.

The trustees' annual report complies with the requirements of 2016 Charities' SORP, and in addition the Charity Commission's Public Benefit Reporting Requirements and the Charities Act 2011.

The Board of Trustees are satisfied with the performance of TFT during the year and the position at 31 December 2020. The Board consider that TFT is in a strong position to continue its activities during the coming year, and that the charity's assets are adequate to fulfil its obligations.

Who we are

Name of organisation

Full name: The Family Trust (Formerly SM Foundation)

Acronym: TFT

Charity number

1180132

Structure, Governance and Management

TFT was established as a Charitable Incorporated Organisation (CIO) registered with the Charity Commission on the 28th September 2018.

Objectives

TFT objectives are such charitable purposes as are exclusively charitable according to the laws of England and Wales as the trustees may from time to time determine.

Mission

TFT's vision is to invest into assets creating a long term income for the Trust to enable it to continue in perpetuity. This will allow it to assist the underprivileged to improve their lives, in turn, can assist their families and communities and live a healthy and dignified way of life.

Values

Our principal objective is to provide assistance and support to underprivileged people and communities. In doing so, TFT will:

- communicate respectfully and diligently with institutions and individuals;
- abide by the laws and customs of the communities with which we are working;
- show compassion and due consideration for the difficulties that people may be facing;
- place special emphasis on locations which are difficult to reach and overlooked by most service providers;
- act with sincerity, truthfulness and openness;
- work to ensure that the highest moral and social values are achieved; and
- be independent when taking decisions in the best interests of the people we aim to support and work with.

The Family Trust (Formerly SM Foundation)

Trustees' report

For the year ended 31 December 2020

Structure, Governance and Management (continued)

Decision making

In 2020, all substantive decisions were made by the trustees. The trustees do not consider there to be any key management personnel.

Public benefit statement

TFT provides donations to support under-privileged individuals and communities. When setting its objectives and planning its donations, TFT gives due careful consideration to the Charity Commission's general guidance on public benefit. The Trustees also ensure that the programmes we undertake are in line with our charitable objects and aims.

Trustees in the reporting period and at the time of report sign-off

Mr Afzal Majid Alimahomed	Appointed 22 April 2020
Dr Nasir Awan	Appointed 22 April 2020
Mr Kashif Shabir	Appointed 22 April 2020

Staffing

In 2020, the trustees received support from, and much work was done by, the following:

Mrs Leela Jackson
Mr Ikram Ahmed
Mr Abdul Rehman Varachhia
Mr Kashif Shabir

Source of income

TFT is under an obligation as per the requirement of Section 162A Charities Act 2011 to give information about fundraising standards. AMF does not undertake any fundraising activity or solicit donations. In light of this, it is not registered with the Fundraising Regulator and does not subscribe to any codes of practise relating to fundraising. In any event it has not failed to comply with any fundraising standards or received any complaints relating to its funds. TFT does not make any approaches to vulnerable people in respect of any fundraising matters. TFT does not use professional fundraisers or involve commercial participators. TFT is a donation-based Trust that does not currently hold fixed investments. During the relevant period, TFT reserves did not generate significant investment income.

Registered office and professional advisers

Registered office

20 Brickfield Road
Birmingham
B25 8HE

Solicitors

The Wilkes Partnership
41 Church Street
Birmingham
B3 2RT

Bankers

HSBC Bank PLC
PO Box 360
100 King Street
Manchester
M60 2HD

Auditor

Cowgill Holloway LLP
Statutory Auditor
Regency House,
45-53 Chorley New Road,
Bolton,
BL1 4QR

The Family Trust (Formerly SM Foundation)

Trustees' report

For the year ended 31 December 2020

What we do, how we do it and how we will strengthen it

TFT's activities is primarily investment into assets; whereby returns will be used for grant making to fulfil its objectives, as well as reinvestment to grow the endowment.

1. TFT's grants

TFT does not undertake direct project implementation. TFT makes grants in the form of donations primarily to other charities who carry out projects which meet TFT objectives and grant making policy.

Selection of partners and projects

TFT's Trustees review incoming requests on a case-by-case basis, using their knowledge of the requesting organisations and TFT's objectives and values as the bases for assessment.

Monitoring and evaluation

TFT provides grants on the condition that progress and end-of-project reports are submitted on a (generally pre-set) timely basis. In addition TFT's Trustees may seek further verification and conduct verification visits to verify that the utilisation of funds and the impact of programmes has worked well.

Support in 2020

During 2020, and given TFT is in its infancy, TFT were unable to assess and approve projects to be carried out.

Long term perspective

The trustees are committed to building a firm foundation for TFT with the intention that it continues its work long into the future without the needs for additional donations. As such, the Trustees propose to devote the majority of its donations in the coming years to investment in rental properties (yielding 8-10%), either directly or partnering with joint ventures. These returns will later be used for charitable activities.

Risks, uncertainties and risk management and mitigation

The TFT trustees periodically assess the organisation's risks. In 2020, the trustees identified the following continuing risks that will require ongoing attention:

Risk	Risk management and mitigation plan
TFT has and will receive substantial income to be invested and there will be a need to ensure that income is invested with a careful management of investment risk.	TFT Trustees will ensure that there will be an investment policy in place, an investment committee will be established to oversee investments and investment managers will be appointed to guide trustees on investments.

Financial review

For the year ended 31 December 2020, there was a surplus of £6,099,395 (2019: £Nil). As at 31 December 2020, total income was £6,100,000 (2019: £Nil) and the balance carried forward, all of which are unrestricted funds as at 31 December 2020, was £6,099,395 (2019: £Nil). Due to COVID19, investment opportunities have been far and wide.

The principal funding sources were donations from various companies owned by the Alimahomed family, and it is intended that for the foreseeable future, subject to receipt of funds, TFT will continue its charitable activities along the lines of its current activities as detailed in this report.

There were no fund raising activities in the year.

The Family Trust (Formerly SM Foundation)

Trustees' report

For the year ended 31 December 2020

Reserves policies

It is the policy of the charity to maximise unrestricted funds, which are the free reserves of the charity, to ensure sufficient funds are available to cover the following:

- donations payable and approved; and
- annual administrative costs.

The board of trustees are satisfied that the charity's assets are available and adequate to fulfil its obligations in respect of the total funds. In 2020 total funds carried forward at the year-end were £6,099,395 (2019: £Nil).

Appointment of trustees

Thus far no new trustees have been appointed given TFT is in its infancy. In future, trustees will be appointed based on long-standing knowledge. Details of the proposed trustee will be shared by the existing trustees, of the appointee in relation to their integrity and probity and proven record in their chosen professional career. The trustees will seek professional support on matters outside their expertise.

A new trustee is appointed by a resolution of the trustees passed at a special meeting, which can be called at any time by any trustee.

Going concern

After making enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt a going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1 "Accounting Policies" in the financial statements.

Approved by the trustees and signed on their behalf by:

DocuSigned by:

Nasir Awan

Dr Nasir Awan, MBE DL Deputy Lieutenant West Midlands
Trustee of The Family Trust (Formerly SM Foundation)

Date:

The Family Trust (Formerly SM Foundation)

Trustees' responsibilities statement

For the year ended 31 December 2020

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Family Trust (Formerly SM Foundation)

Independent auditor's report to the trustees of The Family Trust (Formerly SM Foundation)

Opinion

We have audited the financial statements of The Family Trust (Formerly SM Foundation) (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, set out on pages 1 to 4 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or

The Family Trust (Formerly SM Foundation)

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussions with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the company's license to operate. We identified the following areas as those most likely to have such an effect: laws related to the regulation and operation of charities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

The Family Trust (Formerly SM Foundation)

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Cowgill Holloway LLP

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Cowgill Holloway LLP

Statutory Auditor, Chartered Accountants

Regency House, 45-53 Chorley New Road, Bolton, BL1 4QR

Cowgill Holloway LLP is eligible to act as an auditor by virtue of its eligibility for appointment as an auditor of a company under section 1212 of the Companies Act 2006

Date:

The Family Trust (Formerly SM Foundation)

Statement of financial activities incorporating an income and expenditure account

For the year ended 31 December 2020

	Note	2020 £	2019 £
Income			
Donations	3	6,100,000	-
Total income		6,100,000	6,100,000
Expenditure			
Charitable activities	4	(605)	-
Net (deficit)/income for the year		6,099,395	-
Reconciliation of funds			
Total funds brought forward		-	-
Net movement in funds for the year		6,099,395	-
Total funds carried forward		6,099,395	-

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derives from continuing activities and all funds are unrestricted in both current and prior years.

The Family Trust (Formerly SM Foundation)

Balance sheet

At 31 December 2020

	Note	2020 £	2019 £
Current assets			
Cash at bank and in hand		6,099,995	-
		<u>6,099,995</u>	<u>-</u>
Current liabilities			
Creditors: amounts falling due within one year	8	(600)	-
		<u>(600)</u>	<u>-</u>
Net assets		<u>6,099,395</u>	<u>-</u>
Funds			
Unrestricted funds		6,099,395	-
		<u>6,099,395</u>	<u>-</u>
Total funds		<u>6,099,395</u>	<u>-</u>

These financial statements of The Family Trust (Formerly SM Foundation) registered number 1180132 were approved by the Board of Trustees and authorised for issue its behalf by:

DocuSigned by:

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Dr Nasir Awan, MBE DL Deputy Lieutenant West Midlands
Trustee
Date:

The Family Trust (Formerly SM Foundation)

Cash flow statement

For the year ended 31 December 2020

	Note	2020 £	2019 £
Net cash flows from operating activities	11	<u>6,099,995</u>	<u>-</u>
Net increase in cash and cash equivalents		<u>6,099,995</u>	<u>-</u>
Cash and cash equivalents at beginning of year		-	-
Net (decrease)/increase in cash and cash equivalents		<u>6,099,995</u>	<u>-</u>
Cash and cash equivalents at the end of the year		<u>6,099,995</u>	<u>-</u>

Cash and cash equivalents are represented by cash at bank and in hand.

The Family Trust (Formerly SM Foundation)

Notes to the financial statements

For the year ended 31 December 2020

1. Accounting policies

Charitable status

The Family Trust (Formerly SM Foundation) is a public benefit unincorporated entity which currently has three trustees. The charity is a registered charity, its registered office noted on page 2.

Basis of accounting

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice “Accounting and Reporting by Charities (SORP 2015)” applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2015; and the Charities Act 2011.

The principal accounting policies are set out below.

Preparation of financial statements - going concern basis

The charity’s activities, together with the factors likely to affect its future development, performance and position are set out in the Trustees’ Report, which also describes the financial position of the charity including its cash and reserves policy. The charity forecasts and projections, taking account of reasonably possible changes in donations and investment income and other uncertainties, show that the charity should be able to operate with its current level of reserves. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Income

Income comprises donations and investment income and is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities relates to donations made to individuals, organisations and institutions in line with the objectives of the charity.

Support costs relate to the charity’s charitable activity of providing donations and loans to individuals, organisations and institutions.

Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

Fund accounting

All funds are unrestricted.

The Family Trust (Formerly SM Foundation)

Notes to the financial statements (continued)

For the year ended 31 December 2020

1. Accounting policies (continued)

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature no more than three months from the date of acquisition and that are readily convertible to known amounts with insignificant risk of change in value.

Taxation

The charity is regarded as a charity by HMRC and its income is not subject to taxation on its charitable activities.

Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

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.

Charitable loans

Charitable loans are made to organisations with aims in line with the charity's objectives. The loans, which are interest free, are for capital projects and repayment is expected from income generated by these projects in the future. Provision is made against charitable loans for amounts that have not been received between the balance sheet date and the date that the accounts are signed. All balances included in debtors are therefore measured at their settlement value.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies which are described in note 1, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant; actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

3. Income

The charity received donations of £6,100,000 (2019: £Nil).

The Family Trust (Formerly SM Foundation)

Notes to the financial statements (continued)

For the year ended 31 December 2020

4. Charitable activities

Support costs have been allocated to expenditure on charitable activities as follows:

	Total 2020 £	Total 2019 £
Governance	600	-
General expenses	5	-
	<u>605</u>	<u>-</u>

Support costs are allocated across the charity's activities based on the proportion of total grant expenditure within each activity.

5. Auditor's remuneration

Support costs include auditor's remuneration of £600 (2019:£Nil). Amounts payable in respect of non-audit services were £Nil (2019:£Nil).

6. Trustees' remuneration and expenses

No remuneration or other benefits or expenses has been paid to the charity's trustees or people connected with them from the charity or any company connected with it in the current or prior year.

7. Employees

The charity had no employees in 2020. Back office support is provided by staff of a related party as well as the support of a part time consultant. The trustees do not consider there to be any key management personnel other than the trustees. No employees were paid in excess of £60,000.

8. Creditors

	2020 £	2019 £
Amounts falling due within one year		
Accruals	<u>600</u>	<u>-</u>

9. Related party transactions

During the year the charity received donations of £6,100,000 (2019:£Nil). from companies controlled by relatives of one of the trustees.

The Family Trust (Formerly SM Foundation)

Notes to the financial statements (continued)

For the year ended 31 December 2020

10. Commitments and contingencies

The charity has no commitments that required provision in the financial statements. The charity has not given any guarantees. The charity did not have any contingent liabilities.

11. Net cash flows from operating activities

	2020 £	2019 £
Net income	6,099,395	-
Interest income	-	-
(Increase)/decrease in debtors	-	-
(Decrease)/increase in creditors	600	-
	<hr/>	<hr/>
Net cash inflow from operating activities	6,099,995	-
	<hr/> <hr/>	<hr/> <hr/>