

Charity registration number 1186784

THE RONALD AND JOAN JOHNSTON CHARITABLE TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2022

THE RONALD AND JOAN JOHNSTON CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr D P Kramer Mr A M Lesser
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Charity number	1186784
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THE RONALD AND JOAN JOHNSTON CHARITABLE TRUST

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THE RONALD AND JOAN JOHNSTON CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2022

The trustees present their annual report and financial statements for the Year ended 5 April 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's charitable deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The trust's objects are to support wholly charitable purposes at the absolute discretion of the trustees and there has been no change in these during the Year.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the trust should undertake.

Achievements and performance

The trustees continue to look at which charities they can support in the future and assess applications for funding on an individual basis.

Financial review

It is the policy of the trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to at least six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the trust's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the Year.

The trustees have assessed the major risks to which the trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The trustees who served during the Year and up to the date of signature of the financial statements were:

Mr D P Kramer

Mr A M Lesser

Future trustees will be appointed by the existing trustees as and when a vacancy arises.

The trust is run by the board of trustees.

The trustees' report was approved by the Board of Trustees.

Mr D P Kramer

Trustee

6 February 2023

THE RONALD AND JOAN JOHNSTON CHARITABLE TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE RONALD AND JOAN JOHNSTON CHARITABLE TRUST

I report to the trustees on my examination of the financial statements of The Ronald and Joan Johnston Charitable Trust (the trust) for the Year ended 5 April 2022.

Responsibilities and basis of report

As the trustees of the trust you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the trust's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 that in any material respect:

- 1 accounting records were not kept in respect of the trust as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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 financial statements to be reached.



Paul Woosey FCCA ACA
Carter Backer Winter LLP
Chartered Accountants 66
Prescot Street
London
E18NN

Dated: 7 February 2023

THE RONALD AND JOAN JOHNSTON CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 5 APRIL 2022

		Unrestricted funds 2022 £	Unrestricted funds 2021 £
	Notes		
<u>Income and endowments from:</u>			
Donations and legacies	3	-	2,372,634
Investments	4	61,073	40,635
Other income	5	12,012	51,467
Total income		73,085	2,464,736
<u>Expenditure on:</u>			
Charitable activities	6	51,899	34,289
Net income for the Year/ Net movement in funds		21,186	2,430,447
Fund balances at 6 April 2021		2,430,447	-
Fund balances at 5 April 2022		2,451,633	2,430,447

The statement of financial activities includes all gains and losses recognised in the Year.

All income and expenditure derive from continuing activities.

THE RONALD AND JOAN JOHNSTON CHARITABLE TRUST

BALANCE SHEET

AS AT 5 APRIL 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investment properties	10	1,750,000		1,750,000	
Investments	11	674,775		669,022	
		<u>2,424,775</u>		<u>2,419,022</u>	
Current assets					
Debtors	13	3,937		5,458	
Cash at bank and in hand		28,561		11,967	
		<u>32,498</u>		<u>17,425</u>	
Creditors: amounts falling due within one year	14	<u>(5,640)</u>		<u>(6,000)</u>	
Net current assets			26,858		11,425
Total assets less current liabilities			<u>2,451,633</u>		<u>2,430,447</u>
Income funds					
Unrestricted funds			2,451,633		2,430,447
			<u>2,451,633</u>		<u>2,430,447</u>

The financial statements were approved by the Trustees on 6 February 2023

Mr D P Kramer
Trustee

Mr A M Lesser
Trustee

THE RONALD AND JOAN JOHNSTON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies

Charity information

The Ronald and Joan Johnston Charitable Trust is an unincorporated charitable trust.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The trust is a Public Benefit Entity as defined by FRS 102.

The trust has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the trust.

1.4 Income

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE RONALD AND JOAN JOHNSTON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies

(Continued)

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE RONALD AND JOAN JOHNSTON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Total	Unrestricted funds
	2022	2021
	£	£
Legacies receivable	-	2,372,634

THE RONALD AND JOAN JOHNSTON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

4 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Rental income	61,073	35,281
Investment Portfolio Income	-	5,354
	<u>61,073</u>	<u>40,635</u>

5 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Unrealised gains on investments	<u>12,012</u>	<u>51,467</u>

6 Charitable activities

	2022	2021
	£	£
Donations	18,000	13,000
Share of governance costs (see note 7)	<u>33,899</u>	<u>21,289</u>
	<u>51,899</u>	<u>34,289</u>

THE RONALD AND JOAN JOHNSTON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

7 Support costs

	Support costs £	Governance costs £	2022 £	2021 £
Audit fees	-	-	-	6,000
Legal and professional	-	7,044	7,044	12,486
Property Repairs	-	14,527	14,527	2,761
Bank Charges	-	100	100	42
Portfolio Management and dealing costs	-	6,259	6,259	-
Agents fees	-	3,679	3,679	-
Insurance	-	2,290	2,290	-
	-	33,899	33,899	21,289
Analysed between Charitable activities	-	33,899	33,899	21,289

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the trust during the Year.

9 Employees

The average monthly number of employees during the Year was:

	2022 Number
Employees	2

There were no employees whose annual remuneration was more than £60,000.

10 Investment property

	2022 £
Fair value At 6 April 2021 and 5 April 2022	1,750,000

Investment property comprises two properties in Dunmore Road N16. The fair value of the investment property has been arrived at on the basis of a valuation carried out on 26th March 2019 by Felicity J Lord Estate Agents, who are not connected with the trust. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

11 Fixed asset investments

THE RONALD AND JOAN JOHNSTON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

11	Fixed asset investments	(Continued)
		Unlisted investments £
	Cost or valuation	
	At 6 April 2021 & 5 April 2022	669,022
		<hr/>
	Carrying amount	
	At 05 April 2022	669,022
		<hr/> <hr/>
12	Financial instruments	2022 £
	Carrying amount of financial assets	
	Instruments measured at fair value through profit or loss	674,775
		<hr/> <hr/>
13	Debtors	2022 £
	Amounts falling due within one year:	
	Other debtors	3,937
		<hr/> <hr/>
14	Creditors: amounts falling due within one year	2022 £
	Accruals and deferred income	5,640
		<hr/> <hr/>
15	Related party transactions	
	There were no disclosable related party transactions during the Year	