

S E FRANKLIN CHARITABLE TRUST NO.3

**TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022**

S E FRANKLIN CHARITABLE TRUST NO.3

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	D E Franklin L M Franklin P M Franklin
Charity number	200522
Principal address	6 Rosebay Wokingham Berkshire RG40 5YT
Accountants	TC Group The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN
Bankers & Investment advisors	Quilter Cheviot Limited One Kingsway London WC2B 6AN

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S E FRANKLIN CHARITABLE TRUST NO.3

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report together with the accounts for S E Franklin Charitable Trust No.3 for the year ended 31 March 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 Deed of Trust dated 2 August 1961. The accounts comply with 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 2015).

Structure, Governance and Management

The trust was established by a charitable trust deed on 2nd August 1961. The trust's object is to pay or apply the income of the trust to or for the benefit of such charitable institution or institutions at the absolute discretion of the trustees. However, no charitable institution which is engaged in, or includes among its objects any missionary or proselytising activity, shall be eligible to benefit out of the income of the Trust Fund.

Grants are made at the discretion of the trustees. The trustees confirm that they have complied with the duty in Chapter 1 Section 4 of the Charities Act 2011 to have due regard to the general guidance issued by the Charities Commission on public benefit.

Trustees

The trustees who served during the year were:

D E Franklin

L M Franklin

P M Franklin

The trust is managed by three trustees and the statutory power of appointing new trustees applies. New trustees are provided with support and appropriate training as and when required.

Financial review

As at 31 March 2022, the charity held reserves of £1,878,749 (2021: £1,849,878) which is all unrestricted. Of this, surplus bank balances represent £149,049 (2021: £68,913).

Total income received amounted to £15,261 (2021: £28,797) by way of investment income. Expenditure totalled £120,923 (2021: £14,461) of which £104,000 (2021: £nil) related to grants to institutions and £1,096 (2021: £1,113) related to unrecoverable dividend tax on overseas securities. The remainder of £15,827 (2021: £13,348) relates to support costs.

The financial effect of the Covid pandemic will be continuously reviewed by trustees. Investments will be regularly reviewed and grant payments will be reduced should trustees feel it required, based on investment performance.

Investment powers, policy and performance

There are no restrictions on the charity's absolute power of investment.

The trustees' policy is to invest in the stock market and maintain a balanced return from income and growth.

The general environment in the investment market throughout the year has resulted in an increase in the value of the charity's investments, with an unrealised gain on investments held at the year end of £54,297 (2021: unrealised loss of £520,870). There was a realised gain on investments sold during the year of £80,236 (2021: £30,359).

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TRUSTEES' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2022**

Reserves policy

It is the policy of the charity to maintain free reserves sufficient to meet the obligations of one year's charitable expenditure in case of any downturn in investment income or valuation.

Any free reserves in excess of this policy are considered for re-investment in the charity's investment portfolio. The charity is operating within their reserves policy at the year end.

Free reserves at the year end totalled £1,878,749 (2021: £1,849,878). The charity is therefore acting in line with the reserves policy.

Risk management

The trustees have reviewed the major risks to which the charity is exposed and are happy that systems are in place to manage those risks.

Future plans

The charity plans on continuing the activities outlined above in the forthcoming years.

Trustees' responsibilities in relation to the accounts

The Charities Act 2011 requires the trustees to prepare accounts 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, including the income and expenditure, of the charity for that year.

In preparing these accounts, the trustees are required to:

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

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the accounts comply with the Charities Act 2011. 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.

On behalf of the board of trustees



P M Franklin
Trustee

Dated: 12/11/2022

S E FRANKLIN CHARITABLE TRUST NO.3

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SE FRANKLIN CHARITABLE TRUST FOR THE YEAR ENDED 31 MARCH 2022

Trust I report to the trustees on my examination of the accounts of the SE Franklin Charitable Trust (the Trust) for the year ended 31 March 2022.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

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

Independent examiner's statement

I have completed my examination. I confirm that no material 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 Act; or
2. the accounts do not accord with those records; or 3. the accounts 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 accounts to be reached.

TC Group

Mark Cummins FCCA, FCIE

For and on behalf of TC Group

Office: Steyning

Date 14 December 2022

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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Income from:			
Investment income	4	15,261	28,797
Total income		<u>15,261</u>	<u>28,797</u>
Expenditure on:			
<i>Charitable activities</i>			
Grants to wide ranging beneficiaries		120,923	14,461
Total expenditure	5	<u>120,923</u>	<u>14,461</u>
Net expenditure for the year and net movement in funds before gains and losses on investments		(105,662)	14,336
Net gains/(losses) on investments	9	134,533	551,229
Net movement in funds		<u>28,871</u>	<u>565,565</u>
Reconciliation of funds			
Total Funds brought forward		<u>1,849,878</u>	<u>1,284,313</u>
Total Funds carried forward		<u><u>1,878,749</u></u>	<u><u>1,849,878</u></u>

All funds are unrestricted.

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BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Investments	9		1,731,920		1,785,225
Current assets					
Cash at bank and in hand		149,049		68,913	
Creditors: amounts falling due within one year	10	(2,220)		(4,260)	
Net current assets			146,829		64,653
Total assets less current liabilities			1,878,749		1,849,878
Net assets			1,878,749		1,849,878
The funds of the charity					
Unrestricted funds			1,878,749		1,849,878
			1,878,749		1,849,878

The accounts were approved by the Trustees on 12/11/2022.



P M Franklin
Trustee

S E FRANKLIN CHARITABLE TRUST NO.3

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

S E Franklin Charitable Trust No.3 meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). There are no material uncertainties about S E Franklin Charitable Trust No.3's ability to continue as a going concern. The trustees' review on going concern takes into account the financial effect of the Covid pandemic.

1.2 Cash Flow Statement

In accordance with the Charities SORP (FRS 102) the charity is claiming exemption from the requirement to prepare a cash flow statement on account of it being a small charity.

1.3 Income

Investment income comprises interest receivable on cash balances and dividends. Both are accounted for when receivable.

1.4 Expenditure

Expenditure is accounted for on an accruals basis with the irrecoverable element of VAT included with the item of expense to which it relates.

Grants payable are charged in the year when the conditions are fulfilled.

Governance costs includes those costs associated with meeting the constitutional and statutory requirements of the charity. These are now included as support costs.

1.5 Investments

Fixed asset investments are stated at their fair value at the balance sheet date using the closing quoted market price. Interest, dividends and realised and unrealised gains/losses are accounted for on an accruals basis.

1.6 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments. The trustees seek to use short term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

1.7 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(continued)

1.8 Fund accounting

Funds held by the charity are unrestricted general funds which are funds which can be used in accordance with the charitable objects at the discretion of the trustees and which have not been designated for other purposes.

1.9 Critical accounting estimates and judgements

In the application of the charity'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 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. The trustees do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

2 Taxation

As a charity, S E Franklin Charitable Trust No.3 is exempt from tax on income and gains to the extent that these are applied to its charitable objects.

3 Trustee remuneration

All the trustees donate their time spent running the charity on a voluntary basis and do not receive any remuneration for their work.

4 Investment income

	2022 £	2021 £
Income from listed investments	15,261	19,297
Other Income	-	9,500
	<u>15,261</u>	<u>28,797</u>

5 Total expenditure

	Grant funding £	Other costs £	Total 2022 £	Total 2021 £
Charitable activities				
<u>Grants to wide ranging beneficiaries</u>				
Grant funding of activities	104,000	-	104,000	-
Irrecoverable Dividend Tax	-	1,096	1,096	1,113
Support costs	-	15,827	15,827	13,348
	<u>104,000</u>	<u>16,923</u>	<u>120,923</u>	<u>14,461</u>

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

5 Total expenditure

(continued)

The charity supports a diversity of organisations through grant giving (see note 6).

Support costs (including governance costs) were as follows:

£13,542 (2021: £11,128) investment management fees.

£2,220 (2021: £2,220) independent examiners fees.

6 Grants payable

	2022	2021
	£	£
Grants to wide ranging beneficiaries	104,000	-

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration, benefits or reimbursement of expenses from the trust during the year.

8 Employees

There were no employees during the year to 31 March 2022 or prior year.

9 Fixed asset investments

	£
Fair value at 1 April 2021	1,785,225
Disposals at opening book value	(556,235)
Acquisitions at cost	448,633
Change in value in the year	54,297
Fair value at 31 March 2022	1,731,920
Historical cost:	
At 31 March 2022	1,348,090
At 31 March 2021	1,182,776

All investments are carried at their fair value. Investments are all traded in quoted public markets. The basis of fair value is equivalent to the market value using the bid price.

The gain on investments shown in the statement of financial activities comprises a gain on disposal of investments of £80,236 (2021: £30,359) and an unrealised gain on the market value of investments held at the year end of £54,297 (2021: unrealised loss of £520,870).

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

10 Creditors: amounts falling due within one year	2022	2021
	£	£
Accruals	2,220	4,260
	=====	=====

11 Control

The charitable trust is controlled by the trustees.

12 Related parties

There were no related party transactions during the year.

13 Legal status

SE Franklin Charitable Trust is an unincorporated charitable trust, registered in England and Wales. The charitable trust's charity number and principal address can be found on the legal and administrative information page.