

THE SMB TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Charity Registration No. 263814

NORMAN COX & ASHBY

Chartered Accountants

Grosvenor Lodge
72 Grosvenor Road
Tunbridge Wells
Kent TN1 2AZ

THE SMB TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	B M O'Driscoll J A Anstead I A P Wilson	
Charity number	263814	
Principal address	The SMB Trust 15 Wilman Road Tunbridge Wells Kent TN4 9AJ	
Auditor	Norman Cox & Ashby Grosvenor Lodge 72 Grosvenor Road Tunbridge Wells Kent TN1 2AZ	
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4TA	
Property agents	Lubbock Property Management The Old Vicarage 107 Upper Tulse Hill London SW2 2RD	Bracketts 27-29 High Street Tunbridge Wells Kent TN1 1UU
Solicitors	Pothecary Witham Weld 34 Eccleston Square Pimlico, London SW1V 1PX	Buss Murton 31 High Street Cranbrook Kent TN17 3EE
Investment advisors	Fiske Plc 100 Wood Street London EC2V 7AN	

THE SMB TRUST

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THE SMB TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their annual report and financial statements for the year ended 31 March 2021.

The accounts have been prepared in accordance with the charity's deed, the Charities Act 2011 and the Statement of Recommended Practice - 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).

Objectives and activities

The principal objects of the trust are to make gifts and donations for such charitable purposes as the trustees in their discretion think fit.

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

The charity's aim is to benefit those in need, spiritually, physically or mentally by distributing income throughout the world as outlined in the Grant Making Policy.

GRANT MAKING POLICY

The trustees make regular grants to a large number of "core" charities and have done so for many years, some having been selected by the trust's founder. They consider that this is the most effective way to support charities which meet the aims of the trust and whilst not making any guarantees to charities supported, the treasurer of such organisations can expect funding usually on an annual basis.

In addition the trustees receive many requests for grants that are considered on an individual basis by the trustees. It is clearly impossible for all but a small minority of the requests to be met even if considered to meet the trust's requirements. Although the trust deed gives wide powers so far as grants are concerned, the trustees generally:

- 1 Only give grants through UK registered charities. If an individual applies and is supported by a charity then a grant may be made through that charity.
- 2 Make a standard grant of between £1,000 and £4,000 although this can, and does, vary.
- 3 Take account of the founder's preferences.
- 4 Give to charities which meet one of the following:
 - a) Support the Christian faith;
 - b) Provide social care in the UK and abroad;
 - c) Provide famine/emergency aid;
 - d) Protect the environment and wildlife;
 - e) Support education or medical research.

Achievements and performance

The SMB Trust has continued to support a variety of different causes and also to continue to support charities with which it has had links for many years. The "regular" grant list has been reviewed during the year and some additional charities added and the amounts to some existing charities increased. During the year, these grants totalled £347,200, (2020: £337,500). Confirmation of receipt of funds is always obtained from the recipients and often report of the various works undertaken.

In addition the trust used a number of investment properties to support charitable causes by accepting a rate of return, in the form of rent, lower than that available in the market.

At each meeting the performance of the investments are reviewed and queries are raised with the stockbrokers about any under performing stocks. The broker also monitors performance and telephones the trustees if they have concerns.

To maintain the Objectives and Activities of SMB the Trust is dependent on a continuing flow of income from investments held. The trustees have little control as to the level of this income which is dependent on market returns both from the investment portfolio and the occupancy of the properties held.

THE SMB TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Financial review

The trust's investments (other than land and buildings) were valued at 31 March 2021 at £4,316,425 (2020: £3,677,261) with a cost of £2,029,552 (2020: £2,039,978). The income from the investments and properties owned by the trust funds the work of the charity and there is no additional fund raising.

There are no restrictions on the power of the trustees to invest and the principles of investment, reviewed annually, are:

1. To at least maintain, in real terms, the income available each year for making grants;
2. To obtain long-term capital growth to match or exceed the rate of inflation and not to seek short-term gains but maintain a prudent management style;
3. To hold a portfolio of investments both in equities and fixed interest stocks as well as properties both residential and commercial;
4. To spread the funds over a wide area to reduce the risk of capital loss although the aim of the trustees is to obtain the best available returns to enable grants to be made.
5. To invest in ways consistent with the Christian ethos of the charity. Generally speaking this means that the trustees do not knowingly invest in companies whose activities would have a detrimental effect on social, environmental or moral wellbeing.
6. The proportions invested in equities, fixed interest stocks and properties will vary depending on market conditions and the advice received from the Trust's stockbrokers.

The trustees will consider a reduction in any holding in excess of 8% of the total equity investment unless a reasoned case can be made for exceeding this proportion. The value of the equity portfolio at 31 March 2021 stands at 37% (2020: 33%) of fixed assets.

The trustees have not re-invested maturing fixed interest investments in further fixed interest stock due to the current high prices and low yields. This has led to the current split in investments.

RESERVES POLICY

The trust has no other source of income other than that generated by its investments. The trustees have decided that in order to ensure that the work of the trust, as laid down in the trust deed, can continue in the future they need to aim for the value of the fund, and hence the amount available for future charitable giving, increasing by at least the rate of inflation each year.

Whilst wishing to maximise charitable donations, the trustees have decided that all realised capital gains plus on average approximately 15% of the net income, should be reinvested each year in order to protect the value of the fund. The remaining 85% will be distributed in the form of grants. At the beginning of this year the Trustees decided not to reduce their level of giving in line with the fall of dividend income due to COVID, but to carry on giving at levels similar or slightly higher than the previous year, in view of the high level of need, drawing on capital if necessary. This is likely to carry on for the next few years until dividends recover but will be kept under review.

Although the trustees endeavour to support a number of charities on a regular, normally annual, basis this has not been agreed with any charity and is therefore not a guaranteed commitment. It is also noted that the trust is not an employer with the long term financial responsibilities that involves, nor does it have commitments for the payment of rent or other overheads.

The trustees do not, therefore, consider it necessary to consider any funds as "reserve funds". They are, however, very aware of the need to retain sufficient investments in order that the trust may continue to serve the purpose for which it was set up.

THE SMB TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

RISK MANAGEMENT

The trustees have reviewed the risks to which they consider the trust to be susceptible. The trustees take professional advice on the maintenance and letting of the investment properties where required. The amount expended on property and administration is small in relation to total income. The trustees therefore feel that the risk of not being able to meet the charity's obligations is negligible.

The investment portfolio is regularly reviewed and advice taken from the trust's broker when required. Buildings insurance is updated annually to reflect current values and advice taken from the insurance broker when required.

PLANS FOR THE FUTURE

The trustees intend to continue to seek to maximise income from investments in order to at least maintain, if not increase, the level of grants to charities. They are prepared to consider opportunities to assist charities by providing loans, accommodation and investment capital at below market rates. The trustees continue to monitor the situation both with regard to their grant making and investment decisions but have decided to take no action at present.

Structure, governance and management

The trust is constituted under a trust deed dated 20 November 1962.

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

B M O'Driscoll

J A Anstead

I A P Wilson

R I Whitehead

(Resigned 30 June 2020)

Charity number 263814

Principal address 15 Wilman Road
Tunbridge Wells
Kent
TN4 9AJ

Potential new trustees are generally people known to one or more of the existing trustees who have an area of expertise to offer the trust and who have sympathy with its aims and objectives. If all the trustees are in unanimous agreement, the potential trustee is approached and, if interested, invited to attend a meeting, as an observer in the first instance. After appointment, new trustees learn more about the trust's work and, when appropriate, are given an area of responsibility in the running of the trust.

The trustees normally meet four times a year, but retain the flexibility to meet more often as occasion demands. All decisions are recorded in the minutes. From time to time the trustees are in informal contact by email regarding, for example, investment or property maintenance matters, and any decisions are confirmed and recorded at the next formal meeting. At each meeting the trustees review the performance of the investment portfolio from valuations supplied by the broker. Telephone advice is obtained where appropriate and any changes agreed. At each meeting the trustees confirm regular grants and approve new grants if funds are available.

No remuneration is paid to any of the trustees. Expenses incurred on behalf of the trust are reimbursed.

Advisors

Auditor Norman Cox & Ashby
Grosvenor Lodge
72 Grosvenor Road

THE SMB TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

	Tunbridge Wells Kent TN1 2AZ	
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent, ME19 4TA	
Property agents	Lubbock Property Management The Old Vicarage 107 Upper Tulse Hill London SW2 2RD	Bracketts 27-29 High Street Tunbridge Wells Kent TN1 1UU
Solicitors	Pothecary Witham Weld 34 Eccleston Square Pimlico, London SW1V 1PX	Buss Murton 31 High Street Cranbrook Kent TN17 3EE
Investment advisors	Fiske Plc 100 Wood Street London EC2V 7AN	

The trustees' report was approved by the Board of Trustees on and signed on its behalf by

B M O'Driscoll
Chairperson

THE SMB TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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 SMB TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE SMB TRUST

Opinion

We have audited the financial statements of The SMB Trust (the charity) for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 March 2021 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 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

THE SMB TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SMB TRUST

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, 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.

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

Other matters which we are required to address

We planned our audit so that our work was capable of detecting irregularities, including fraud. We reviewed our permanent files to ensure our general understanding of the legal and regulatory framework applicable to the company. Discussions were held with management and our audit work included reviewing a sample of security values to ensure these agreed to the annual investment summary supplied by the charity's investment broker. Further, our audit work has ensured compliance with the Charities Act 2011 and FRS 102 and at the date of signing the audit report, the charity was complying with regulatory solvency requirements.

Our audit work also assessed the risks of material misstatement in respect of fraud as follows:

Enquiries were made with management and verification was sought with third parties. Our analytical procedures were geared towards identifying any unusual or unexpected relationships and variances, (taking account of the inevitable variations caused by the pandemic). In addition, we reviewed transactions for any related party transactions and conducted our audit work to identify transactions outside the normal course of business. In both instances, no unusual transactions were identified. Our audit work reviewed the segregation of duties and possibility of management override and we carried out tests on journal entries made throughout the year. No instances of fraud or irregularities were identified.

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

THE SMB TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SMB TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nicholas Gower-Smith FCA (Senior Statutory Auditor)

for and on behalf of Norman Cox & Ashby
Chartered Accountants and Statutory Auditor
Grosvenor Lodge
72 Grosvenor Road
Tunbridge Wells
Kent
TN1 2AZ

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Norman Cox & Ashby is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE SMB TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Income from:			
Charitable activities	3	81,705	83,395
Investments	4	420,611	476,261
Total income		<u>502,316</u>	<u>559,656</u>
Expenditure on:			
Charitable activities	5	<u>488,834</u>	<u>426,560</u>
Net gains/(losses) on investments	10	<u>654,853</u>	<u>(760,263)</u>
Net movement in funds		<u>668,335</u>	<u>(627,167)</u>
Fund balances at 1 April 2020		<u>11,511,129</u>	<u>12,138,296</u>
Fund balances at 31 March 2021		<u><u>12,179,464</u></u>	<u><u>11,511,129</u></u>

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

All income and expenditure derive from continuing activities.

THE SMB TRUST

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11	1,758,588		1,758,588	
Investment properties	12	5,690,816		5,690,816	
Investments	13	4,316,425		3,677,261	
		<u>11,765,829</u>		<u>11,126,665</u>	
Current assets					
Debtors	15	19,385		36,627	
Cash at bank and in hand		401,583		355,359	
		<u>420,968</u>		<u>391,986</u>	
Creditors: amounts falling due within one year	16	(7,333)		(7,522)	
Net current assets			413,635		384,464
Total assets less current liabilities			<u>12,179,464</u>		<u>11,511,129</u>
Income funds					
Unrestricted funds					
General unrestricted funds		10,942,183		10,273,848	
Revaluation reserve		<u>1,237,281</u>		<u>1,237,281</u>	
			12,179,464		11,511,129
			<u>12,179,464</u>		<u>11,511,129</u>

The accounts were approved by the Trustees on 25 January 2022

B M O'Driscoll
Chairperson

J A Anstead
Trustee

THE SMB TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	18		(390,076)		(340,855)
Investing activities					
Purchase of investments		(19,470)		(110,422)	
Proceeds on disposal of investments		35,159		2	
Interest received		420,611		476,261	
Net cash generated from investing activities			436,300		365,841
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			46,224		24,986
Cash and cash equivalents at beginning of year			355,359		330,373
Cash and cash equivalents at end of year			401,583		355,359

THE SMB TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

The SMB Trust is a registered charity in England and Wales registration number 263814

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's deed, the Charities Act 2011 and the Statement of Recommended Practice - 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). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. 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 charity 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 the furtherance of the objects of the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it, the amounts can be measured reliably, and it is probable that income will be received.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably. This is usually upon notification the interest paid by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment advisor of the dividend yield of the investment portfolio. Rent receivable is accounted for when receivable.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant.

1.6 Tangible fixed assets

Freehold land and buildings are shown at trustees' market valuation as the trustees believe this is required to give a true and fair valuation.

No depreciation is charged on freehold buildings because the trustees consider the useful lives of the buildings will be in excess of fifty years and they will have high residual values. The buildings are regularly maintained. Provision will be made should any annual impairment review indicate that a permanent diminution in value has occurred.

THE SMB TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.7 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.

1.8 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.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 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.

1.11 Financial instruments

The charity 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 charity's balance sheet when the charity 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.

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.

Derecognition of financial liabilities

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

THE SMB TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 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 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 Charitable activities

	2021 £	2020 £
Charitable rental income	81,705	83,395

4 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Rental income	305,816	301,298
Income from listed investments	114,588	174,078
Interest receivable	207	885
	420,611	476,261

THE SMB TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Charitable activities

	2021 £	2020 £
Repairs and maintenance	83,200	40,886
Agents' commission	28,413	24,532
Insurance	10,963	7,213
Rates and water	2,049	420
Sundry expenses	6,677	5,603
Printing, postage and stationery	216	94
Trustees' expenses	200	252
Accountancy	4,594	4,518
Bank charges	552	475
	<u>136,864</u>	<u>83,993</u>
Grant funding of activities (see note 6)	347,200	337,500
Share of governance costs (see note 7)	4,770	5,067
	<u>488,834</u>	<u>426,560</u>

6 Grants payable

	2021 £	2020 £
Grants to institutions:		
Advancement of religion	97,600	91,250
Relief of poverty	62,000	62,500
Social and medical welfare	103,600	100,100
Furtherance of education and research	23,000	38,900
Famine Aid	55,500	35,750
Protection of the environment and wildlife	5,500	9,000
	<u>347,200</u>	<u>337,500</u>

THE SMB TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Support and governance costs

	Support costs £	Governance costs £	2021 £	2020 £
Audit fees	-	4,770	4,770	5,067
	-	4,770	4,770	5,067
Analysed between Charitable activities	-	4,770	4,770	5,067

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but three were reimbursed a total of £200 for travelling expenses and office expenses incurred on the charity's behalf (2020: two were reimbursed £252).

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-

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

10 Net gains/(losses) on investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Revaluation of investments	655,241	(760,265)
Gain/(loss) on sale of investments	(388)	2
	654,853	(760,263)

THE SMB TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Tangible fixed assets

	Land and buildings £
Cost or valuation	
At 1 April 2020	1,758,588
At 31 March 2021	1,758,588
Carrying amount	
At 31 March 2021	1,758,588
At 31 March 2020	1,758,588

Land and buildings with a carrying amount of £1,758,588 were revalued at 31 March 2018 by the trustees. The valuation was based on recent market transactions on arm's length terms for similar properties and appropriate house price indices. In light of the current economic climate, the trustees have considered that no revaluation from the previous year is appropriate.

The title to all the freehold land and buildings is held by the Official Custodian for Charities. The primary advantage of vesting land in this way is that it avoids having to change details of the ownership whenever there is a change of trustees in the charity.

12 Investment property

	2021 £
Fair value	
At 1 April 2020 and 31 March 2021	5,690,816

Investment property comprises various freehold properties around the UK which are held to generate a return to further the charity's objectives. The fair value of the investment property has been arrived at on the basis of annual revaluations carried out by the trustees. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties and appropriate house price indices. No professional valuation has taken place as the trustees do not feel this to be the best use of charitable funds.

The title to all the freehold land and buildings is held by the Official Custodian for Charities. The primary advantage of vesting land in this way is that it avoids having to change details of the ownership whenever there is a change of trustees in the charity.

If investment properties were stated on a historical cost basis rather than a fair value basis, the cost at 31 March 2021 was £2,875,610 (2020: £2,875,610).

THE SMB TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 31 March 2021	3,677,261
Additions	19,470
Valuation changes	655,241
Disposals	(35,548)
	<u>4,316,424</u>
Carrying amount	
At 31 March 2021	<u>4,316,424</u>
At 31 March 2020	<u>3,677,261</u>

Fixed asset investments revalued

The fixed asset investments comprise listed investments having a cost at 31 March 2021 of £2,029,552, (2020: £2,039,978).

14 Financial instruments	2021 £	2020 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	19,385	36,627
Equity instruments measured at fair value	<u>4,316,425</u>	<u>3,677,261</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>7,333</u>	<u>7,522</u>

15 Debtors	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	<u>19,385</u>	<u>36,627</u>

16 Creditors: amounts falling due within one year	2021 £	2020 £
Accruals	<u>7,333</u>	<u>7,522</u>

THE SMB TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Related party transactions

There were no disclosable related party transactions during the year (2020: none).

18 Cash generated from operations	2021 £	2020 £
Surplus/(deficit) for the year	668,335	(627,167)
Adjustments for:		
Investment income recognised in statement of financial activities	(420,611)	(476,261)
Loss/(gain) on disposal of investments	388	(2)
Fair value gains and losses on investments	(655,241)	760,265
Movements in working capital:		
Decrease/(increase) in debtors	17,242	(1,137)
(Decrease)/increase in creditors	(189)	3,447
Cash absorbed by operations	(390,076)	(340,855)

19 Auditors' ethical standards

In common with many other entities of similar size and nature the charity has used the auditors to assist with the preparation of the financial statements.

THE SMB TRUST

APPENDIX TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

CHARITABLE ACTIVITIES – GRANTS TO INSTITUTIONS

	2021 £	2020 £
3C Church, Cheltenham (CAP)	1,000	-
Abernethy Trust	-	1,500
Action For Children	1,500	1,500
Advantage Africa	-	1,500
African Childrens' Fund	1,500	-
Age International	1,000	-
Aids Orphans of Myanmar	1,000	-
All Nations Christian College	3,500	3,500
Amor Europe/Global Youth Development	-	1,500
Anglican International Development (South Sudan)	1,500	-
Anglo-Peruvian Children's Charity	1,500	-
Animal Antiks	1,500	-
Arab Vision Trust	2,000	2,000
Asher Bringing Hope	-	1,000
Aspens	2,000	-
Azalea	-	1,500
Barnabas Fund	3,000	3,000
Barnabus (Manchester)	-	1,500
Ben Solanky (via Stewardship)	1,500	-
Bible Society	3,500	3,500
Bishop Simeone Trust	1,000	-
BMS World Vision (Covid)	1,000	-
BMS World Mission	4,000	4,000
Boys Brigade	1,000	1,000
Brace	1,500	-
Braille Chess Association	-	1,200
Bridge Trust	3,000	3,000
Bridge Youth Project, Salisbury	1,500	-
Brighton & Hove City Mission	1,700	-
British Red Cross	3,000	3,000
Build Aid	2,000	-
Cafod	-	1,500
Care	2,000	2,000
Care International UK	1,000	-
CBM (match funding)	-	1,000
Chailey Heritage Foundation	-	1,500
Challenge Ministries Swaziland UK	1,000	-
Chase Africa	-	1,500
Chicks	-	1,000
Chifundo	-	1,000
Child in Need India	1,500	-
Child of Hope	-	1,500
Children of Choba	1,500	-
Christian Aid	2,000	-
Christian Aid South Asia Flood Appeal	-	1,500
Christian Witness to Israel	1,500	-
Christian Youth Enterprises	1,500	-
Christians against poverty	3,500	3,500
Chrysalis (Epiphany Trust)	-	1,500
Church Army	2,000	2,000
Church Urban Fund	-	2,800
CLASS	1,500	1,500
Clean Up UK	1,000	-
CMF	-	2,000

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FOR THE YEAR ENDED 31 MARCH 2021

CHARITABLE ACTIVITIES – GRANTS TO INSTITUTIONS

	2021 £	2020 £
CMS	2,500	2,500
Coach in the Community	-	600
Compaid	1,500	1,500
Concern Worldwide	-	2,000
CORD	-	2,000
CPAS - Falcons Disadvantaged Childrens Programme	-	1,500
Crackerjacks	-	1,000
Crawley Open House	-	1,000
Cross Teach Trust	2,500	2,500
CrossWays Community	3,000	3,000
Cycle - R	-	1,000
David Knott Foundation	1,500	-
Daylight	-	1,300
Deaf Reach	-	1,500
Deafway	-	2,000
DEC	8,000	-
Dentaid	3,000	3,000
Derbyshire Wildlife Trust	-	1,000
Dhaka Ahsania Mission	1,000	-
Disability Africa	1,500	-
Elam	1,500	-
Embrace the Middle East	-	2,000
Empathy Action	1,500	-
Empathy International	1,500	-
Evangelical Alliance	2,500	2,500
Excellent Development	2,000	2,000
Fairfield Farm Trust	-	500
Fairtrade Foundation Ltd	2,000	2,000
Fareshare	1,500	1,500
Farm Africa	1,500	-
Farm Africa Limited (match funding)	-	1,500
Farm Inspiration Trust	1,500	-
Feba Radio	3,000	3,000
Fegans Child & Family Care	2,500	2,500
Fellowship Afloat Charitable Trust	1,500	-
Field Lane Foundation	2,000	2,000
Fisherman's Mission	1,500	1,500
Five Talents	-	2,000
Footsteps International	1,000	-
Footsteps International - Kenya	-	1,500
Friends of Julius and Dora's Childrens Centre	1,000	-
Frontiers	-	1,500
Fulfil the Wish	1,500	-
Gideons International	1,500	1,500
Girls' Brigade	1,000	1,000
Good Neighbours, Coventry	1,500	-
Great Lakes Outreach	1,500	-
Growing Hope Kings Cross	-	1,500
Haven Day Centre	-	1,500
Home Leone	1,500	-
Home Start SW Kent	1,500	1,200
Hope International Development Agency	1,500	-
Hope Now	3,000	3,000
Hospice in the Weald	3,000	2,500

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CHARITABLE ACTIVITIES – GRANTS TO INSTITUTIONS

	2021 £	2020 £
Hospice of Hope	4,000	3,500
Hospice UK	1,500	-
House on the Corner Community Project	1,500	-
Hover Aid	2,000	-
Impact	4,000	3,000
Insight	2,000	-
International Egg Foundation	1,000	-
International Nepal Fellowship	3,000	3,000
International Rescue Committee	1,000	2,500
Interserve	3,000	3,000
IRC - Lebanon	2,000	-
IT Schools Africa	-	1,000
Jairah	1,500	-
Jubilee Campaign	2,000	-
Jubilee +	-	2,000
Karen Hilltribes Trust	-	1,250
Karuna Action	-	1,500
Kenelm Youth Trust	1,700	-
Kids Club Kampala	-	1,000
Kisumu Children	-	2,000
Legs 4 Africa	2,000	2,000
Leonard Cheshire Disability	1,200	1,200
Leprosy Mission	4,000	4,000
Life and Soul	3,000	3,000
Listening Books	1,000	1,000
LIVABILITY (Merged with Prospects)	2,000	2,000
Liverpool City Mission	1,500	1,500
London City Mission	4,000	4,000
London School of Theology	2,000	2,000
Lunchbowl Network	1,500	-
MACS	1,700	-
Make Jesus Known	-	1,250
Manchester City Mission	1,500	-
Marie Curie Cancer Care	3,000	3,000
Medair UK	1,500	-
Medical Aid for Palestinians	1,500	-
Medecins Sans Frontieres	-	1,500
Mencap	1,500	1,500
Mercy Ships	-	1,500
Meru	1,500	-
Message Trust - Neal Street Espresso	-	1,500
Microloan Foundation	-	1,500
Mid Africa Ministry (Rwanda - CMS)	2,000	2,000
Mildmay Mission Hospital	3,000	3,000
Mission Aviation Fellowship	3,500	3,500
Mission Without Borders	2,500	2,500
Moorlands Bible College	1,500	1,500
Narthex Sparkhill	-	1,500
National Autistic Society	1,500	-
Navigators - Eleanor Wood	-	300
Novi Most International	1,700	2,000
O.M. - Lizzie Thomson	1,000	-
Oasis International (Jim & Jane Currell)	3,000	3,000
Oasis UK	3,000	3,000

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CHARITABLE ACTIVITIES – GRANTS TO INSTITUTIONS

	2021 £	2020 £
Off the Fence Trust Ltd	1,000	-
OMF	3,500	3,000
Open Door Exmouth	1,500	-
Open Doors	3,000	3,000
Operation Mobilisation	2,000	2,000
Operation Mobilisation Mustard Fund	-	1,500
Opportunity International	1,500	-
Outreach UK (Was Home Evangelism)	1,000	1,000
Outward Bound Trust	1,500	-
Partnership for Children	-	2,500
PCC Chalk	1,000	-
Pege Childrens Foundation	1,500	-
People International	4,000	4,000
People International (Karakalpakstan)	1,500	-
Physically Handicapped and Able-Bodied	1,000	1,000
Pilgrim's Friends Society	4,000	4,000
Plan International	-	1,500
Plant Your Future	1,500	-
Practical Action (COVID)	1,000	2,000
Prisoners Education Trust	-	1,800
Project Harar	-	1,000
Project Trust (Lois Butler-Kettle)	-	200
Project Trust (Malawi, Susanne Presly)	-	200
Prospects (Merged with Livability)	-	1,000
Pump Aid	1,000	-
REACH Asia	1,000	-
Reach the Children UK	-	1,000
Re-Cycle	1,500	-
Re-Cycle Bikes to Africa	-	2,000
Renew Counselling (was West Ham Central Mission)	2,000	2,000
Renewable World	-	1,000
Resource	1,500	-
Rochester Diocese for Tanzania	1,000	-
Rock UK	-	1,500
Safe Families for Children	-	1,500
Salvation Army	3,000	3,000
Samaritans Purse	1,500	-
SANDES	-	2,000
SANE	-	2,000
Sat-7 Trust Ltd	2,500	2,500
Save the Children's Emergency Fund	-	2,000
Scottish Seabird Centre	-	500
Scripture Union	3,500	3,500
See Ability (was Royal School for the Blind)	1,000	1,000
Send a Cow	-	1,500
Sense International	-	1,500
Shelter Box	1,500	-
Siblings Together	1,500	-
SIM	2,500	2,500
Simien's Mountain Mobile Medical Service	1,500	-
Sixty One	-	1,500
Sofa Project	1,500	1,500
SOS Children's Villages UK	-	1,500
South Asia Concern	-	1,500

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	2021 £	2020 £
South West Coast Path Association	-	1,000
Southampton City Farm	1,500	-
Sovereign World Trust	3,000	2,500
Speakers for Schools	1,500	-
Spencer Contact	1,500	-
Sporting Challenge	1,500	-
Spurgeon's Bible College	2,000	2,000
Spurgeon's Children's Charity	1,500	2,000
St Clare Hospice	-	1,500
St John's School PFA, Tunbridge Wells	1,000	-
St Matthews Church, Tunbridge Wells	1,500	-
St John Ambulance	1,500	1,500
Stand By Me	1,500	-
Starfish Malawi	1,500	-
Stewardship (Solankys)	-	1,500
Street Child	-	1,500
Talitha	-	1,500
TEAR Fund	5,000	5,000
Tear Fund (COVID)	1,000	-
The Counselling Centre	-	1,000
The Hardman Trust	-	1,500
The House in the Corner Community Project	-	1,500
The Key's Project	-	1,000
The Linda Tremble Foundation	1,000	-
The Liver Group	2,000	-
The Manna Society	-	1,500
The Message Trust	2,000	-
The Respite Association	-	1,000
The Thomas Moreley Trust (Ro-Ro Sailing Project)	-	1,500
The Toybox Charity	1,500	1,500
The Translation Trust	2,000	2,000
The Tron Church - Catriona Thomson	200	200
Through the Roof	1,500	1,500
Trees for Cities	-	1,000
Treloar Trust	1,500	1,500
Tron Church - Stephen Ballingall	1,000	-
Try Praying (There is Hope)	-	1,000
TWBC Building for God	-	3,000
United Society - Partners in the Gospel	1,000	-
University and Colleges Christian Fellowship	1,500	1,500
Urban Saints	2,000	2,000
Village Water	1,500	-
Viva	-	1,500
Water Aid	1,000	-
WEC International	2,500	2,500
Wellspring	-	1,500
West Kent Debt Advice	1,500	1,500
Womankind	1,500	-
Workplace Matters	-	1,500
World Wildlife Fund	1,500	1,500
Wycliffe Bible Translators	2,000	2,000
YFC	2,500	2,500
YFC Tunbridge Wells	2,500	2,500
YMCA Cornwall	1,500	-

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CHARITABLE ACTIVITIES – GRANTS TO INSTITUTIONS

	2021 £	2020 £
YMCA National Council	2,500	2,500
Young Minds	1,000	-
Zambia Orphans Aid	1,500	-
Zane	-	3,000
	<u>£347,200</u>	<u>£337,500</u>