

FOLKESTONE MUNICIPAL CHARITIES

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

FOLKESTONE MUNICIPAL CHARITIES

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FOLKESTONE MUNICIPAL CHARITIES

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2020

Trustees

Mrs A Berry
Mr J Bonomy
Mrs S Thorne
Mr R C P Medicott
Cllr P Gane
Mrs R Braid
Mrs M Hunter
Cllr M Salmon (resigned 12 June 2019)
Cllr R C West
Cllr P West
P West (appointed 12 June 2019)
Cllr P Bingham (appointed 14 May 2019)
Cllr J Meade (appointed 14 June 2019)

Charity registered number

211528

Principal office

Romney House, Cliff Road, Hythe, CT21 5XA

Independent Examiners

MHA MacIntyre Hudson, Victoria Court, 17-21 Ashford Road, Maidstone, Kent, ME14 5DA

FOLKESTONE MUNICIPAL CHARITIES

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their annual report together with the financial statements of the charity for the year ended 31 March 2020. The Trustees confirm that the Annual report and financial statements of the charity comply with the Charities Act 2011, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" applicable to Charities preparing their accounts in accordance with the Financial Reporting Standards.

Structure, governance and management

a. CONSTITUTION

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity. It was registered with the Charity Commission with effect from 29th June 1984 under the charity number 211528.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

Trustees are appointed when a vacancy occurs by personal recommendation from existing Trustees and elected at an Annual General Meeting.

Objectives and Activities

a. POLICIES AND OBJECTIVES

Objectives

The Charity was constituted on 29th June 1894 by Scheme of the Charity Commissioners of 29th June 1894. The objective of the charity is to provide relief in need to residents of Folkestone by provision of grants to individuals or organisations and by payment of monthly awards to needy residents. The Trustees have complied with the duty under the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission.

b. ACTIVITIES FOR ACHIEVING OBJECTIVES

Significant activities

The charity receives referrals from social services and other sources. All cases are referred to the committee of Trustees, or in cases of emergency, to such members of the executive committee as are available.

Relief in need, when sanctioned by the Trustees, is made available, wherever possible, by payment direct to suppliers of goods and services.

c. GRANT MAKING POLICIES

The Trustees as a group meet in order to decide upon grant applications. Grants are made if the Trustees feel the application has merit and is in line with the charity's constitutional aims.

FOLKESTONE MUNICIPAL CHARITIES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance

a. GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

The trustees have considered the circumstances of Covid 19 and do not regards them having an impact on the Charity's ability to continue as a going concern.

b. REVIEW OF ACTIVITIES

The funds that have been required for the relief of need have been generated by income from investments, leaving a net surplus before investment gains for the year of £6,595 (2019: £8,707). The charity continues to hold investments in authorised charitable investments. These investments showed a loss on the previous year's valuation of £168,450 (2019: £173,789 gain) as shown in note 8 of the financial statements.

Financial review

a. RESERVES POLICY

The Trustees maintain a reserve of £33,000 in order to fund any unanticipated expenditure or to cover the normal expenditure of the charity should there be a change in their incoming resources. Any other unrestricted funds are to be spent in accordance with the Charity's constitution.

b. INVESTMENT POLICY AND PERFORMANCE

The Trustees have the power to invest in such assets as they see fit. Due to the present market conditions, the Trustees consider their current investments to be the most appropriate in order to generate income to meet their anticipated expenditure.

This report was approved by the Trustees, on 18.11.20 and signed on their behalf by:

Trustee

FOLKESTONE MUNICIPAL CHARITIES

TRUSTEES' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

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).

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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 of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records that are sufficient to show and explain the charity's transactions and 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.

FOLKESTONE MUNICIPAL CHARITIES

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MARCH 2020

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF FOLKESTONE MUNICIPAL CHARITIES (the 'charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 March 2020.

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. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

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

I report in respect of my examination of the charity'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 2011 Act.

FOLKESTONE MUNICIPAL CHARITIES

INDEPENDENT EXAMINER'S REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2020

INDEPENDENT EXAMINER'S STATEMENT

Your attention is drawn to the fact that the charity has prepared the accounts 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) 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 been withdrawn.

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

I have completed my examination. I can 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 charity as required by section 130 of the 2011 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.

Signed:

Dated: 1 December 2020

Duncan Cochrane-Dyet BSc BFP FCA (Senior Statutory Auditor)

MHA MACINTYRE HUDSON

Chartered Accountants

Victoria Court
17-21 Ashford Road
Maidstone
Kent
ME14 5DA

FOLKESTONE MUNICIPAL CHARITIES

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:				
Investments	2	130,317	130,317	123,606
TOTAL INCOME		<u>130,317</u>	<u>130,317</u>	<u>123,606</u>
EXPENDITURE ON:				
Charitable activities		112,913	112,913	114,899
TOTAL EXPENDITURE		<u>112,913</u>	<u>112,913</u>	<u>114,899</u>
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)		17,404	17,404	8,707
Net gains/(losses) on investments	8	(233,188)	(233,188)	173,789
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		<u>(215,784)</u>	<u>(215,784)</u>	<u>182,496</u>
NET MOVEMENT IN FUNDS		<u>(215,784)</u>	<u>(215,784)</u>	<u>182,496</u>
RECONCILIATION OF FUNDS:				
Total funds brought forward		3,784,452	3,784,452	3,601,956
TOTAL FUNDS CARRIED FORWARD		<u><u>3,568,668</u></u>	<u><u>3,568,668</u></u>	<u><u>3,784,452</u></u>

The notes on pages 9 to 16 form part of these financial statements.

FOLKESTONE MUNICIPAL CHARITIES

**BALANCE SHEET
AS AT 31 MARCH 2020**

	Note	£	2020 £	£	2019 £
FIXED ASSETS					
Investment property	7		168,500		168,500
Investments	8		3,287,380		3,520,568
			<u>3,455,880</u>		<u>3,689,068</u>
CURRENT ASSETS					
Debtors	9	21,607		3,599	
Cash at bank and in hand		96,217		95,860	
		<u>117,824</u>		<u>99,459</u>	
CREDITORS: amounts falling due within one year	10	(5,036)		(4,075)	
NET CURRENT ASSETS			<u>112,788</u>		<u>95,384</u>
NET ASSETS			<u><u>3,568,668</u></u>		<u><u>3,784,452</u></u>
CHARITY FUNDS					
Unrestricted funds	11		<u>3,568,668</u>		<u>3,784,452</u>
TOTAL FUNDS			<u><u>3,568,668</u></u>		<u><u>3,784,452</u></u>

The financial statements were approved by the Trustees on 18.11.20 and signed on their behalf, by:

Trustee

The notes on pages 9 to 16 form part of these financial statements.

FOLKESTONE MUNICIPAL CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES

1.1 General information and basis of preparation of financial statements

The financial statements have been prepared to give a 'true and fair' view and 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 Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: 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) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1 A.

Folkestone Municipal Charities constitutes a public benefit entity as defined by FRS 102.

1.2 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

1.3 Resources expended

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 allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.4 Going concern

The trustees are of the view that the charity holds sufficient reserves to fund activities for the next 12 months in the absence of any income, and so the going concern basis is appropriate. The trustees have considered the circumstances of Covid 19 and do not regard them having an impact on the Charity's ability to continue as a going concern.

FOLKESTONE MUNICIPAL CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES (continued)

1.5 Taxation

The charity is exempt from tax on its charitable activities.

1.6 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net Gains/(losses) on investments' in the Statement of financial activities.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

FOLKESTONE MUNICIPAL CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. INVESTMENT INCOME

	Total funds 2020 £	Total funds 2019 £
Rents received	4,550	4,735
Dividends received	125,446	118,725
Bank interest received	321	146
	130,317	123,606
Total 2019	123,606	

In 2020, all investment income of £130,317 (2019: £123,606) was attributable to unrestricted income funds.

3. CHARITABLE ACTIVITIES - SUPPORT COSTS

	Unrestricted funds £	Total 2020 £	Total 2019 £
Management	5,924	5,924	5,200
Auditors' remuneration	1,641	1,641	1,617
	7,565	7,565	6,817
Total 2019	6,817	6,817	

During the year ended 31 March 2020, the charity incurred the following Governance costs:

£1,641 (2019 - £1617) included within the table above in respect of the statutory audit of the Charity's financial statements,.

FOLKESTONE MUNICIPAL CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

4. CHARITABLE ACTIVITIES - DIRECT COSTS

	Unrestricted funds £	Total 2020 £	Total 2019 £
Grants and donations	10,540	10,540	15,284
Monthly grants	64,865	64,865	63,000
Relief in need	29,943	29,943	29,798
	105,348	105,348	108,082
Total 2019	108,082	108,082	

FOLKESTONE MUNICIPAL CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Trustees' expenses

Mrs M Hunter was reimbursed £501 in respect of expenses during the year (2019: £457).

Mrs R Braid was reimbursed £700 by the Charity in respect of purchase of furniture for a homeless man during the year (2019: £Nil).

6. HONORARIA

	2020 £	2019 £
Wages and salaries	3,841	3,993

	2020 £	2019 £
The average monthly number of employees during the year	-	-

No employees received emoluments in excess of £60,000.

Honoraria represents Secretary's fee. Expenses were also reimbursed to Secretary of £122 (2019 - £120) in respect of postage and stationery.

7. INVESTMENT PROPERTY

	Freehold investment property £
Valuation	
At 1 April 2019 and 31 March 2020	168,500

The 2020 valuations were made by Trustees', based on market changes since the Smith Woolley, Chartered Surveyors valuation dated 15 September 2016 which was prepared on an open market value for existing use basis.

FOLKESTONE MUNICIPAL CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

8. FIXED ASSET INVESTMENTS

	Listed investments £
Market value	
At 1 April 2019	3,520,568
Revaluations	(233,188)
	<hr/>
At 31 March 2020	3,287,380
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Investments at market value comprise:

	2020 £	2019 £
Listed investments	3,287,380	3,520,568
	<hr/>	<hr/>

All the fixed asset investments are held in the UK

9. DEBTORS

	2020 £	2019 £
Prepayments and accrued income	21,607	3,599
	<hr/>	<hr/>

10. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	3,404	-
Other creditors	1,632	4,075
	<hr/>	<hr/>
	5,036	4,075
	<hr/>	<hr/>

FOLKESTONE MUNICIPAL CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds					
Designated revaluation fund	1,770,643	-	-	(233,188)	1,537,455
General fund	2,013,809	130,317	(112,913)	-	2,031,213
	<u>3,784,452</u>	<u>130,317</u>	<u>(112,913)</u>	<u>(233,188)</u>	<u>3,568,668</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2019 £
General funds					
Designated revaluation fund	1,596,854	-	-	173,789	1,770,643
General fund	2,005,102	134,415	(114,899)	-	2,024,618
	<u>3,601,956</u>	<u>134,415</u>	<u>(114,899)</u>	<u>173,789</u>	<u>3,795,261</u>

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
General funds	<u>3,784,452</u>	<u>130,317</u>	<u>(112,913)</u>	<u>(233,188)</u>	<u>3,568,668</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2019 £
General funds	<u>3,601,956</u>	<u>134,415</u>	<u>(114,899)</u>	<u>173,789</u>	<u>3,795,261</u>

FOLKESTONE MUNICIPAL CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2020 £	Total funds 2020 £
Fixed asset investments	3,287,380	3,287,380
Investment property	168,500	168,500
Current assets	117,824	117,824
Creditors due within one year	(5,036)	(5,036)
	<u>3,568,668</u>	<u>3,568,668</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2019 £	Total funds 2019 £
Fixed asset investments	3,520,568	3,520,568
Investment property	168,500	168,500
Current assets	99,459	99,459
Creditors due within one year	(4,075)	(4,075)
	<u>3,784,452</u>	<u>3,784,452</u>

13. RELATED PARTY TRANSACTIONS

During the year, £4,000 (2019: £4,000) was donated to the Town Mayor of Folkestone's Christmas Fund of which Cllr R C West is the Town Mayor.