

Charity Registration No. 1147602

Company Registration No. 07996550 (England and Wales)

THE JOHN STRUTT MEMORIAL FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

KENNETH EASBY LIMITED
C H A R T E R E D A C C O U N T A N T S

THE JOHN STRUTT MEMORIAL FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr R F de Robeck Mr P McCormick OBE Mr C Metcalfe-Gibson Mr E M F Penrose Mr W Telfer-Smollett
Charity number	1147602
Company number	07996550
Registered office	John G Hills The Estate Office Leyburn North Yorkshire DL8 5EW
Independent examiner	Samantha Rainbow FCA Kenneth Easby Limited Chartered Accountants Oak House, Market Place Bedale North Yorkshire DL8 1AQ
Bankers	Barclays Bank Plc 31 High Row Darlington County Durham DL3 7QS
Solicitors	McCormicks Wharfedale House 35/37 East Parade Harrogate North Yorkshire HG1 5LQ

THE JOHN STRUTT MEMORIAL FOUNDATION

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THE JOHN STRUTT MEMORIAL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

The trustees present their report and financial statements for the year ended 31 March 2020.

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 charity's Memorandum and Articles of Association, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The charity's objects are to support registered charities in the achievement of their charitable objectives within the counties of Cumbria and Derbyshire, in particular those charities or charitable objectives that have a connection with The John Strutt Conservation Foundation, The John Strutt Charity and The John Strutt Centre for Parrot Conservation.

In order to meet its charitable objectives the charity is involved in providing grants to individuals and organisations.

Long term aims and objectives

The charity's objects are specifically restricted to the following:

1. To benefit such other exclusively charitable objectives and purposes within the counties of Cumbria and/or Derbyshire, as the charity may determine from time to time, in particular those charitable objectives and purposes that have a connection with:
 - a. The John Strutt Conservation Foundation
 - b. The John Strutt Charity; and
 - c. The John Strutt Centre for Parrot Conservation; and
2. to support registered charities in the achievement of their charitable objectives within the county of Cumbria, in particular those charities or charitable objectives that have a connection with:
 - a. The John Strutt Conservation Foundation
 - b. The John Strutt Charity; and
 - c. The John Strutt Centre for Parrot Conservation.

These aims and objectives involve the consolidation and enhancement of the charity's capital value base, involving the retention and on-going improvement of charity assets.

Public benefit statement

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

THE JOHN STRUTT MEMORIAL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance

In the current year the Trustees have continued as in 2019 with their policy of assessment and consolidation. However, towards the end of the year the trustees considered the impact of Covid-19 on the charity, and as the trustees do not fundraise and rely on their property portfolio for income there is unlikely to be much of an impact on the charity's income and finances. The trustees communicate regularly with their professional managers of their property portfolio to be aware of any changes that might be forthcoming due to the pandemic so that action can be taken. The charity does not have any employees or volunteers so there will be no impact on the charity's income and expenditure in this respect. The trustees and their professional advisors will monitor the ever changing Covid-19 control measures, particularly the property market and the property rental market to ascertain if there will be any adverse effect on receiving income from rents.

The trustees have looked in detail at their property portfolio and certain properties which are not financially viable; consideration is being given as to whether such properties should be sold. The trustees believe they should look at what represents a typical Strutt property more than others. These generally appear to be the older properties; however these have a higher maintenance and improvement cost, but they form part of the town of Belper built by Jedediah Strutt for the mill workers. The trustees completed their refurbishment of 46 Long Row Belper as a holiday let and went live on the web site unfortunately at the beginning of the Covid-19 pandemic.

The trustees have a wide range of properties in their portfolio, some commercial, some residential and some agricultural and the trustees attended an online visual tour of each individual property to replace their planned on site inspection of their estate in the summer due to Covid-19 restrictions. The trustees recognise the Strutt family were the key benefactors in the building of the town of Belper and each previous generation wished to keep their name alive and to house and give work to local families.

The benefits conveyed by this performance, are primary reflected in the capacity of the charity to provide financial support to the associated charities, and thereby to the wider public, but also on a more local level to enhance and improve the environment in and around their south Derbyshire base of the town of Belper. The trustees will continue, on a wider basis, with their policy for their on-going review of the charity's assets, to establish the full capital value of these, and also to understand how these might be utilised to full advantage, by retention and improvement, or in some cases by small-scale disposal and re-investment.

Investment Assets

The Foundation owns a number of houses, farm buildings and plots of land. These properties are let to provide income to support the charity's objectives. During the year there has been significant maintenance work undertaken on the portfolio of properties to return them to a marketable condition.

Financial review

The Statement of Financial Activities shows net expenditure of £2,501 (2019: £315). Total funds at 31 March 2020 were £3,506,717 compared to £3,509,218 in 2019.

The principal funding source during the current year was rental income.

Reserves policy

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

Due to the expenditure incurred in ongoing improvement work to the charity's investment properties it has not been possible to meet this level of reserves. The trustees believe that once the improvement work has been completed the enhanced rent will allow reserves to be increased to the desired level.

THE JOHN STRUTT MEMORIAL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Risk factors

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

Investment property, and its capacity to generate income, is the charity's most important asset. As such the principal risks to which the charity is exposed are those associated with this type of property.

Legal & political risks - Due to changes in the legal framework governing investment property, and/or the wider political framework affecting rural and residential property. These risks are more difficult to mitigate, but paying close attention to developments in these areas and taking advice from the relevant professionals, as part of the management function, will limit any negative impacts.

Physical Loss - Due to natural or man-made damage, is the most direct risk, and the property asset is thus properly insured against such occurrences, proper maintenance is carried out together with regular property inspections.

Loss of income - As a result of lack of tenants, or tenants inability to pay, is also a risk, which is met by undertaking proper management to secure occupation and maintain control of debt.

Plans for future periods

There is an on-going review of the charity's assets, to establish the full capital value of these, and also understand how these might be utilised to full advantage, by retention and improvement, or in some cases by small-scale disposal and re-investment. The programme of improvement to existing properties is also set to continue, to drive forward the aims and objectives of raising income, and asset value, to enable the charity to support its associated charitable endeavours.

Structure, governance and management

The charity is a company limited by guarantee, and is governed by a Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr R F de Robeck
Mr P McCormick OBE
Mr C Metcalfe-Gibson
Mr E M F Penrose
Mr W Telfer-Smollett

The board of trustees has the power to appoint additional trustees as it considers appropriate.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The charity is operated as a company controlled by a board of Trustees. Major strategic and policy decisions, and those involving major areas of expenditure are made by the full board, currently consisting of five Trustees. Lower level management decisions are delegated to the Trustee in charge of the estate management role, currently Mr R F De Robeck, with day to day management delegated to the estates managing agents, John G Hills & Partners, working with other professional advisors.

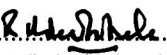
No formal training is given to the trustees but recruitment is only made from those who support the charity's objectives and are considered well qualified to contribute to its work.

All trustees give their time freely and no trustee remuneration was paid in the year,

THE JOHN STRUTT MEMORIAL FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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

.....
Mr R F de Robeck
Trustee
Dated: ...14.01.2021.

THE JOHN STRUTT MEMORIAL FOUNDATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE JOHN STRUTT MEMORIAL FOUNDATION

I report to the trustees on my examination of the financial statements of The John Strutt Memorial Foundation (the charity) for the year ended 31 March 2020.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (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

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 charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.



Samantha Rainbow FCA

Kenneth Easby Limited
Chartered Accountants
Oak House, Market Place
Bedale
North Yorkshire
DL8 1AQ

Dated: 19/1/21

THE JOHN STRUTT MEMORIAL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 as restated £
<u>Income from:</u>			
Donations	3	(6,200)	-
Investments	4	55,369	53,698
Total income		<u>49,169</u>	<u>53,698</u>
<u>Expenditure on:</u>			
Raising funds	5	<u>70,035</u>	<u>52,881</u>
Charitable activities	6	<u>8,610</u>	<u>11,632</u>
Total resources expended		<u>78,645</u>	<u>64,513</u>
Net gains/(losses) on investments	10	<u>26,975</u>	<u>10,500</u>
Net expenditure for the year/ Net movement in funds		(2,501)	(315)
Fund balances at 1 April 2019			
As originally reported		3,621,304	3,632,119
Prior year adjustment		(112,086)	(122,586)
As restated		<u>3,509,218</u>	<u>3,509,533</u>
Fund balances at 31 March 2020		<u><u>3,506,717</u></u>	<u><u>3,509,218</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 statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE JOHN STRUTT MEMORIAL FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Investment properties	11		3,630,500		3,681,000
Current assets					
Debtors	12	6,277		29,955	
Cash at bank and in hand		41,269		2,641	
		<u>47,546</u>		<u>32,596</u>	
Creditors: amounts falling due within one year	13	(15,329)		(99,153)	
Net current assets/(liabilities)			32,217		(66,557)
Total assets less current liabilities			<u>3,662,717</u>		<u>3,614,443</u>
Creditors: amounts falling due after more than one year	14		(156,000)		(105,225)
Net assets			<u><u>3,506,717</u></u>		<u><u>3,509,218</u></u>
Income funds					
Unrestricted funds			3,506,717		3,509,218
			<u><u>3,506,717</u></u>		<u><u>3,509,218</u></u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2020.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 14/01/2021.


Mr R F de Robeck

Trustee

Company Registration No. 07996550

THE JOHN STRUTT MEMORIAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Charity information

The John Strutt Memorial Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is John G Hills, The Estate Office, Leyburn, North Yorkshire, DL8 5EW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 investment properties 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 furtherance of their charitable objectives.

1.4 Income

Income is recognised when the charity 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 charity 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.

Investment income, in the form of investment dividends and rental income, is recognised when receivable by the charity.

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure on raising funds represent those costs associated with generating the investment income.

THE JOHN STRUTT MEMORIAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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 Prior period adjustment

During the year errors were identified in prior year valuations of two investment properties as a result of the accounting records not fully reflecting all capital improvement work incurred but not invoiced at the date of valuation. The comparative figures for the year ended 31 March 2019 have been amended to restate investment properties, accrued costs and reserves.

The opening comparative balance sheet at 1 April 2018 has been amended to include £122,586 of additional accrued capital costs, which reduces the charity's reserves by the same amount.

A revaluation gain of £10,500 has been included in the Statement of Financial Activities for the year to 31 March 2019 to reflect the amended property valuations at the year-end. The cumulative reduction to the charity's reserves is therefore £112,086 as at 31 March 2019.

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.

Key sources of estimation uncertainty

Investment properties

The company carries its investment properties at fair value, with changes in fair value being recognised in net income/(expenditure). The valuations are based on comparable market data and are therefore most sensitive to comparable market prices in the local area. Note 11 provides further details on the valuations adopted at the balance sheet date.

3 Donations

	Unrestricted funds	Total
	2020 £	2019 £
Donations and gifts	(6,200)	-

THE JOHN STRUTT MEMORIAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

3 Donations

(Continued)

Donations and gifts

Reverse donation of investment property	(6,200)	-
	<u>(6,200)</u>	<u>-</u>

During the year it was identified that an investment property donated to the charity in 2018 had not been properly transferred as a result of legal complications. Given ongoing uncertainty over the timing of the transfer the donation has been reversed in the current year.

4 Investments

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Rental income	<u>55,369</u>	<u>53,698</u>

5 Raising funds

	Unrestricted funds	Total
	2020 £	2019 £
<u>Investment property expenditure</u>		
Investment property running costs	29,341	23,074
Investment property management fees	13,629	14,446
Investment property repairs	19,931	9,981
Finance costs	7,134	5,380
	<u>70,035</u>	<u>52,881</u>

THE JOHN STRUTT MEMORIAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

6 Charitable activities

	2020 £	2019 £
Grant funding of activities (see note 7)	-	3,503
Share of support costs	8,610	8,129
	<u>8,610</u>	<u>11,632</u>

Support costs includes amounts payable in relation to the independent examination of £2,500 (2019: £2,500).

7 Grants payable

	2020 £	2019 £
Grants to institutions:		
The John Strutt Centre for Parrot Conservation	-	3,503
	<u>-</u>	<u>3,503</u>

8 Trustees

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

9 Employees

There were no employees during the year.

10 Net gains/(losses) on investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Revaluation of investment properties	<u>26,975</u>	<u>10,500</u>

During the year it was identified that an investment property donated to the charity in 2018 had not been properly transferred as a result of legal complications. Given ongoing uncertainty over the timing of the transfer the donation has been reversed in the current year, and the £8,800 revaluation of that property as recorded in 2018 has also been reversed and is included in the figures above.

THE JOHN STRUTT MEMORIAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

11 Investment property

	2020 £
Fair value	
At 1 April 2019	3,681,000
Additions through external acquisition	3,725
Disposals	(81,200)
Net gains or losses through fair value adjustments	26,975
	<hr/>
At 31 March 2020	3,630,500
	<hr/>

Full valuations were undertaken of all properties by ART & Associates, an independent RICS registered valuer, in 2018 after the properties were gifted to the charity. Two properties have since had improvement works carried out and their valuations at 31 March 2020 have been updated by the trustees based on advice received from the charity's professional advisors. The valuations are based on comparable market data, and the fair values are therefore most sensitive to comparable market prices in the local area.

12 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	682	26,581
Prepayments and accrued income	5,595	3,374
	<hr/>	<hr/>
	6,277	29,955
	<hr/>	<hr/>

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	3,919	12,476
Other creditors	3,614	613
Accruals and deferred income	7,796	86,064
	<hr/>	<hr/>
	15,329	99,153
	<hr/>	<hr/>

14 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Borrowings	156,000	105,225
	<hr/>	<hr/>

Included with borrowings is £156,000 (2019: £105,225) due to The Arthur Strutt Testamentary Trust, this amount is secured by a fixed charge over one of the charity's investment properties.

THE JOHN STRUTT MEMORIAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

15 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

The charity incurred legal fees of £11,829 (2019: £7,515) to McCormicks Solicitors, a firm in which Mr Peter McCormick OBE, trustee, is a partner.

The charity incurred management fees and expenses of £18,965 (2019: £19,035) to J G Hills, a firm in which Mr Richard De Robeck, a trustee, is a partner. At the year end there was an amount owed to J G Hills of £1,194 (2019: £4,258).

The charity received a loan from The Arthur Strutt Testamentary Trust, a trust in which Mr Richard De Robeck, a trustee, is also a trustee. Advances in the year amounted to £80,775 (2018: £35,225) with repayments of £30,000 (2019: £Nil). At the year end the outstanding balance was £156,000 (2019: £105,225). The loan is secured over one of the charity's investment properties and interest has been charged at 4% plus the Bank of England base rate.

The charity provided grants to The John Strutt Centre for Parrot Conservation Centre totalling £Nil (2019: £3,503), a charity in which all trustees also act as trustees. At the year ended there was an amount owed by the charity of £3,000 (2019: amount owed to the charity of £3,000), this balance is included within other creditors.