

THE OWEN OWEN TRUST FUND

ANNUAL REPORT AND INDEPENDENTLY EXAMINED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2019

CHARITY NO. 233264

THE OWEN OWEN TRUST FUND

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THE OWEN OWEN TRUST FUND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2019

The Trustees present their annual report and financial statements of the charity for the year ended 31st March 2019. The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published 16th July 2014; updated 2nd February 2016.

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the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

OBJECTIVES AND ACTIVITIES

The Trustees have applied the resources of the Trust for the relief of persons in need who were employed by any former company in the Owen Owen Limited group of companies or are the spouses or dependants of persons who were so employed. This includes consultant and concession staff formerly working within the Owen Owen group stores.

In planning the Trust's grant making the Trustees have given consideration to the Charity Commission's published guidance on public benefit.

Grant Making Policy:

The Trust has established its grant making policy to achieve its objects for public benefit. Grants are made against a scale of cash payments based on age and length of service, subject to the over-riding criteria of financial need. All grants remain discretionary and subject to annual review.

Details of grants made in the year are shown in note 3 to the financial statements.

ACHIEVEMENTS AND PERFORMANCE

The investments are managed by Investec Wealth & Investment Limited (Investec) on a discretionary basis, subject to agreed parameters and restrictions, with the aim of a 'balanced' return between income and capital accepting a medium degree of risk.

FINANCIAL REVIEW

As at 31st March 2019 the value of the Fund was £3,184,872 (2018: £3,337,385). The value of the Fund decreased by £152,513 (2018: decreased by £448,959) during the year resulting from a net outflow of £271,360 (2018: £314,526 outflow) from the normal activities of the Trust and a net gain on investment assets of £118,847 (2018: £134,433 net loss) reflecting net realised and unrealised gains and losses during the year.

Reserves:

The Trustees have considered the needs of current and potential future beneficiaries. The objects of the charity are such that need is expected to reduce over time, in terms of beneficiary numbers. Over recent years, therefore, the Trustees' policy has been to distribute all income and to accept revenue deficits.

THE OWEN OWEN TRUST FUND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2019

Investment Policy and Powers:

There are no restrictions on the charity's powers to invest. The investment strategy is set by the Trustees and takes account of current demand for funds and an assessment of expected future need (see also Reserves). The investment policy and strategy are reviewed with the Investment Manager at regular intervals. The current Statement of Investment Principles was approved by the Trustees on 14th November 2018.

The Trustees are aware that the funding requirement required from the investments is above what could be generated by income alone. They have therefore adopted a "total return" approach to the portfolio, looking to generate returns from a mixture of income and capital.

The objective is to achieve a total return of at least 0.5% above the benchmark per annum over a rolling 3 year period.

Risk Management:

The main risks, to which the charity is exposed, as identified by the Trustees, have been considered and systems have been established to mitigate those risks. The Trustees accept that the attainment of the long term investment objectives requires the acceptance of a level of investment risk. The risk manifests itself primarily in the fluctuation of the capital value and the risk of loss of value periodically.

Plans for the Future

The Trustees intend to continue grant making on the existing principles with ongoing revenue deficits leading to a gradual depletion of funds.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisation, Management and Delegation:

The Trust employs two staff, on a part time basis, in the day-to-day running and management of its grant making activities.

The Trustees meet quarterly to review the Trust's performance, its financial position and its investments.

The Trustees, in their power, have delegated the management of the investments to independent professional investment managers and the administration of grant-making and accountancy to LCVS.

Recruitment and Appointment of New Trustees:

Having considered relevant skills and geographical requirements, potential new Trustees are approached by the existing members of the board and then appointed by election at a meeting of the board of Trustees. The board is also responsible for induction and training of the new Trustees.

REFERENCE AND ADMINISTRATIVE DETAILS

The Owen Owen Trust Fund was created by a Deed of Settlement dated 15th January 1900 made by the late Mr. Owen Owen.

The Trust is a registered charity under the Charities Act 1960, the registration number being 233264.

Principal Office:

151 Dale Street, Liverpool, L2 2AH.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2019

Mr. J. S. Barker
Miss. K. M. Eggleton
Mr. L. Foster
Mrs. S. A. Mitchell
Mr. D. H. O. Owen
Miss. E. A. Stewardson
Mr. A. G. Turner
Mr R. Warren
Mrs. R. Lochiel-Owen

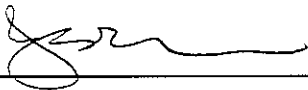
THE OWEN OWEN TRUST FUND
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2019

- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.


The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts 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.

Approved by the Trustees on 4th September 2019 and signed on their behalf by:

J. S. Barker



S. A. Mitchell



BY ORDER OF THE TRUSTEES

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE OWEN OWEN TRUST FUND

I report to the trustees on my examination of the accounts of The Owen Owen Trust Fund for the year ended 31 March 2019.

This report is made solely to the charity's trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My examination 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 examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

I have completed my examination. I 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 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.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE OWEN OWEN TRUST FUND

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.

Peter Taaffe

Name: **Peter Taaffe FCA CTA DChA**

BWM Chartered Accountants

Castle Chambers, 43 Castle Street, Liverpool L2 9SH

Dated:

24. 9. 2019

THE OWEN OWEN TRUST FUND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2019

	Notes	Unrestricted Funds 2019 £	Unrestricted Funds 2018 £
Income and endowments from:			
Investments		120,014	133,453
Total		120,014	133,453
Expenditure on:			
Raising funds			
Investment management costs		22,321	25,139
Charitable activities			
Grant funding	3	369,053	422,840
Total		391,374	447,979
Net expenditure before gains and losses on investments		(271,360)	(314,526)
Net gains/(losses) on investment assets	5	118,847	(134,433)
Net expenditure net movement in funds		(152,513)	(448,959)
Reconciliation of funds:			
Total funds brought forward at 1 st April 2018		3,337,385	3,786,344
Total funds carried forward at 31st March 2019	10	3,184,872	3,337,385


The notes on pages 11 to 17 form part of these accounts.

THE OWEN OWEN TRUST FUND
BALANCE SHEET AT 31ST MARCH 2019

-----UNRESTRICTED FUNDS-----				
	Notes	At 31 st March 2019 £	At 31 st March 2018 £	
Fixed Assets				
Investments	5	3,098,712	3,251,587	
Current Assets				
Debtors	7	703	1,307	
Balances at Bank		95,086	98,420	
Cash in Hand		139	19	
Total current assets		95,928	99,746	
Liabilities				
Creditors: amounts falling due within one year	8	(9,768)	(13,948)	
Net current assets		86,160	85,798	
Total net assets		<u>£3,184,872</u> =====	<u>£3,337,385</u> =====	
The funds of the charity:				
Unrestricted Funds	10	<u>£3,184,872</u> =====	<u>£3,337,385</u> =====	


The financial statements were approved by the Trustees on 4th September 2019 and signed on their behalf by

J. S. Barker



 Trustee

S. A. Mitchell



 Trustee

THE OWEN OWEN TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

1. ACCOUNTING POLICIES

Charity information

The Owen Owen Trust Fund is a registered charity governed by a Deed of Settlement. The principal address is 151 Dale Street, Liverpool L2 2AH.

Basis of preparation

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) 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 (FRS102) issued on 16th July 2014; updated 2nd February 2016 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and Charities Act 2011. The charity is a public benefit entity as defined by FRS102.

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

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

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.

Going concern

At the time of approving the accounts, 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 accounts.

Fund accounting

Unrestricted funds are considered 'free' reserves and are expendable at the discretion of the Trustees in furtherance of the general objectives of the Trust.

Investments

Investments held as fixed assets, in accordance with SORP 2015, are stated and included in the balance sheet at their market value at 31st March 2019 or at the valuation date nearest to the year end. UK listed securities and foreign securities quoted on a recognised stock exchange are stated at market values ruling at the year end. Investments denominated in foreign currencies are translated using the sterling rate of exchange ruling at the year end.

Unit Trust and managed fund investments are stated at the average of the bid and offer prices quoted by the Trust's managers nearest to the year end.

Investments are valued at the mid-market price on the valuation date. The Statement of Financial Activities includes unrealised gains and losses arising from the revaluation of the investment portfolio. The trustees consider that the cash held as part of the portfolio to be cash at bank and it is included in the balances at bank.

THE OWEN OWEN TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

Commitments under non-cancellable operating leases

Commitments under non-cancellable operating leases are charged to the Statement of Financial Activities when payable.

Income recognition

Income from investments comprises dividend income and interest and are accounted for when received in the financial year.

Expenditure recognition

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 in the statement of financial activities.

Charitable activities includes grant funding, along with associated support costs, to beneficiaries. These are dealt with in the Statement of Financial Activities when payment has been approved by the charity. Governance costs relate to compliance with constitutional and statutory requirements and specifically include all costs incurred by the charity in producing the Annual Report.

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.

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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

THE OWEN OWEN TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

Derecognition of financial liabilities

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

Employee benefits

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

If they occur termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

A defined contribution pension scheme was set up in October 2016.

Taxation

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. The charity is not able to recover Value Added Tax. Expenditure is recorded in the accounts inclusive of VAT.

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

	2019	2018
	£	£
Grants - Existing recipients	257,050	302,175
Grants - Home maintenance grants	17,485	21,026
Support costs	94,518	99,639
	<hr/>	<hr/>
	£369,053	£422,840
	<hr/>	<hr/>

THE OWEN OWEN TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

	2019	2018
<i>Grants - Support costs summarised below:</i>	£	£
Salaries (note 4)	31,908	35,683
Pension costs	658	480
Honoraria	16,750	19,500
Visitors expenses	2,137	2,006
Catering and coach hire	-	1,050
Tea parties and flowers	8,047	6,946
Postage	1,445	707
Stationery	1,895	1,277
Grant distribution	7,700	7,500
	<hr/>	<hr/>
Other charitable expenditure	70,540	75,149
	<hr/>	<hr/>
Miscellaneous	351	150
Payroll services	500	520
Trust manager's travel expenses	-	129
Computer maintenance & support	1,152	1,152
Office rent & service charge	5,430	5,430
Office insurance	429	730
Rates	340	333
Advertising	-	1,419
Telephones / email	871	849
Car parking	1,080	1,080
	<hr/>	<hr/>
Management and administration	10,153	11,792
	<hr/>	<hr/>
Independent examiner's fees	2,270	1,720
Trustee expenses	777	707
Trustee meeting costs	691	484
Accountancy	9,500	9,200
Insurance	587	587
	<hr/>	<hr/>
Governance costs	13,825	12,698
	<hr/>	<hr/>
	94,518	99,639
	=====	=====

Volunteer visitors, who make periodic contact with grant recipients to check and report on their well-being, received honoraria payments.

During the year, out of pocket expenses were reimbursed to 3 Trustees amounting to £777 (2018: £707 to 3 Trustees).

Insurance has been purchased to protect both the Trust and its Trustees against claims for losses arising from neglect or default by Trustees, employees or agents. The total cost of this insurance was £587 (2018: £587).

THE OWEN OWEN TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

4. STAFF COSTS AND TRUSTEES' REMUNERATION

	2019	2018
	£	£
Salaries	31,908	35,683
Other pension costs	658	480
	<u>£32,566</u>	<u>£36,163</u>
	=====	=====

The average number of employees during the year was 2 (2018: 2). All employees are considered to be key management and their total remuneration is shown above.

A defined contribution pension scheme was set up in October 2016. The employer's contribution to 31st March 2019 was £658 (2018: £480)

There are no employees with emoluments over £60,000 p.a. (2018: none).

None of the trustees (or any person connected with them) received any remuneration during the year (2018: none).

5. INVESTMENTS

Throughout the accounting period the assets of the fund were managed by Investec in accordance with the following permitted ranges:

Fixed interest	2.5	-	42.5%	of portfolio
Equities (overseas max 40%)	42.5	-	82.5%	of portfolio
Property	0	-	15%	of portfolio
Alternatives	0	-	15%	of portfolio
Cash	0	-	25%	of portfolio

Without the prior approval of the Trustees no initial investment should exceed 5% of the total value of the funds under management and the total sum of all equity holdings in excess of 5% must not be equal to or exceed 40% of the funds value at any time. No investment is to be held in derivatives.

Investments listed on a recognised stock exchange, including investment Trusts:

	2019	2018
	£	£
Market value at 1 st April 2018	3,251,587	3,733,224
Acquisitions at cost	103,755	341,401
Disposals	(375,477)	(688,605)
Net realised gains in the year	23,570	75,572
Net unrealised gains/(losses) in the year	95,277	(210,005)
	<u>£3,098,712</u>	<u>£3,251,587</u>
	=====	=====
Market value at 31 st March 2019	<u>£3,098,712</u>	<u>£3,251,587</u>
	=====	=====
Historical cost as at 31 st March 2019	<u>£2,647,755</u>	<u>£2,895,907</u>
	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

At the 31st March 2019 the following investments represent more than 5% of the total market value of the portfolio:

Findlay Park Funds	5.6%	£173,758 (2018: 4.4%)
Ssga Spdr ETFS	5.8%	£179,999 (2018: 4.7%)

	2019	2018
	£	£
Investment assets in the UK	1,927,282	1,994,080
Investment assets outside the UK	1,171,430	1,257,507
	<u>£3,098,712</u>	<u>£3,251,587</u>
	<u>=====</u>	<u>=====</u>

Custodian Arrangements

All assets are held by Investec's custodian, Ferlim Nominees. The custodian is regulated by the FCA. Should the custodian or Investec become insolvent, assets are ring-fenced and would not be impacted by the insolvency.

6. FINANCIAL INSTRUMENTS

	2019	2018
	£	£
Carrying amount of financial assets:		
Debt instruments measured at cost	95,225	98,439
Equity instruments measured at fair value through income and expenditure	3,098,712	3,251,587
	<u>£3,193,937</u>	<u>£3,350,026</u>
	<u>=====</u>	<u>=====</u>
Carrying amount of financial liabilities:		
Measured at cost	£9,768	£13,948
	<u>=====</u>	<u>=====</u>

7. DEBTORS

	2019	2018
	£	£
Other debtors	300	300
Prepayments	403	1,007
	<u>£703</u>	<u>£1,307</u>
	<u>=====</u>	<u>=====</u>

THE OWEN OWEN TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

8. CREDITORS

	2019	2018
Accruals	£9,768	£13,948
	=====	=====

9. OPERATING LEASE COMMITMENTS

The lease commitment with Liverpool Charity and Voluntary Services, related to the rental of city centre office space, runs for 5 years, from 1st May 2015, at an annual rental cost of £5,430.

10. UNRESTRICTED FUNDS

Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the Trust's objectives.

11. RELATED PARTIES

There were no other related party transactions in the year.