

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 2019**

**KENNETH EASBY LIMITED**  
CHARTERED ACCOUNTANTS

# THE JOHN STRUTT MEMORIAL FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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

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# 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 2019

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The trustees present their report and financial statements for the year ended 31 March 2019.

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.

### Achievements and performance

In the current year the Trustees have continued as in 2018 with their policy of assessment and consolidation. Several of the charity's property assets have been re-let on enhanced terms, and a number of other assets are in the process of being improved, with a view to achieving enhanced letting returns. One original mill property has been renovated and will be let as holiday accommodation which should bring in an excellent return compared to an Assured Shorthold tenancy. The benefits conveyed by this performance, are primarily reflected in the capacity of the charity to provide financial support to the associated charities, and thereby the wider public, but also on a more local level to enhance and improve the environment in and around the Derbyshire base. On a wider basis, 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 JOHN STRUTT MEMORIAL FOUNDATION

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

FOR THE YEAR ENDED 31 MARCH 2019

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### 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 £10,815 (2018: net income for the period of £3,632,119). Total funds at 31 March 2019 were £3,621,304 compared to £3,632,119 in 2018.

The principal funding source during the current year was rental income. During the comparative year the primary source of funding was a donation of £2,440,200 from the Executors of the J H Strutt Estate in the form of several investment properties, together with a private loan amounting to £70,000.

### 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 consider 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.

### 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 JOHN STRUTT MEMORIAL FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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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 trustees' report was approved by the Board of Trustees.



**Mr R F De Robeck**

Trustee

Dated: 2 December 2019

# THE JOHN STRUTT MEMORIAL FOUNDATION

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF THE JOHN STRUTT MEMORIAL FOUNDATION

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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 2019.

#### **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).

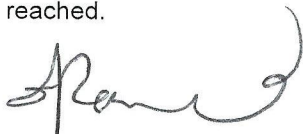
Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 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: 2 December 2019



# THE JOHN STRUTT MEMORIAL FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds 2019 £	Total 2018 £
<b><u>Income from:</u></b>			
Donations	3	-	2,442,225
Investments	4	53,698	48,154
<b>Total income</b>		<u>53,698</u>	<u>2,490,379</u>
<b><u>Expenditure on:</u></b>			
Raising funds	5	<u>52,881</u>	<u>78,742</u>
Charitable activities	6	<u>11,632</u>	<u>9,818</u>
<b>Total resources expended</b>		<u>64,513</u>	<u>88,560</u>
Net gains/(losses) on investments	10	<u>-</u>	<u>1,230,300</u>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		(10,815)	3,632,119
Fund balances at 1 April 2018		<u>3,632,119</u>	<u>-</u>
<b>Fund balances at 31 March 2019</b>		<u><u>3,621,304</u></u>	<u><u>3,632,119</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 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Investment properties	11	3,793,086		3,670,500	
<b>Current assets</b>					
Debtors	12	29,955		2,734	
Cash at bank and in hand		2,641		37,447	
		32,596		40,181	
<b>Creditors: amounts falling due within one year</b>	13	(204,378)		(78,562)	
Net current liabilities		(171,782)		(38,381)	
<b>Total assets less current liabilities</b>		3,621,304		3,632,119	
<b>Income funds</b>					
Unrestricted funds		3,621,304		3,632,119	
		3,621,304		3,632,119	

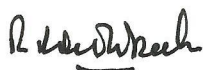
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2019.

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 2 December 2019



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 2019**

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### **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 c/o 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 unless the funds have been designated for other purposes.

#### **1.4 Incoming resources**

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 Resources expended**

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 2019

### 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.

### 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 company engaged an independent valuation specialist to determine the fair values as at 31 March 2018 which represents the value included within the balance sheet of £3,670,500. The valuer used a valuation technique based on comparable market data, and the fair values are therefore most sensitive to comparable market prices in the local area. The trustees have reviewed the valuations and believe there has been no material movements during the current year.

### 3 Donations

	Unrestricted funds	Total
	2019 £	2018 £
Donations and gifts	-	2,442,225
<b>Donations and gifts</b>		
Donations of investment property	-	2,440,200
Other donations	-	2,025
	-	2,442,225



# THE JOHN STRUTT MEMORIAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 4 Investments

	Unrestricted funds	Total
	2019 £	2018 £
Rental income	53,698	48,154

### 5 Raising funds

	Unrestricted funds	Total
	2019 £	2018 £
<u>Investment property expenditure</u>		
Investment property running costs	23,074	19,076
Investment property management fees	14,446	21,139
Investment property repairs	9,981	38,527
Finance costs	5,380	-
	52,881	78,742

### 6 Charitable activities

	2019 £	2018 £
Grant funding of activities (see note 7)	3,503	-
Share of support costs	8,129	9,818
	11,632	9,818

Support costs includes amounts payable in relation to the independent examination of £2,500 (2018: £4,000 for audit fees).

### 7 Grants payable

	2019 £	2018 £
Grants to institutions:		
The John Strutt Centre for Parrot Conservation	3,503	-



# THE JOHN STRUTT MEMORIAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 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	Total
	2019 £	2018 £
Revaluation of investment properties	-	1,230,300

### 11 Investment property

	2019 £
<b>Fair value</b>	
At 1 April 2018	3,670,500
Additions through external acquisition	122,586
At 31 March 2019	3,793,086

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 March 2019 by the trustees. The valuations for investment property were made in light of current market conditions and taking into consideration any tenancies currently in place, the trustees do not believe the values have materially changed from the valuation carried out by Art & Associates Limited as at 31 March 2018, who are independent to the company.

### 12 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Other debtors	26,581	-
Prepayments and accrued income	3,374	2,734
	29,955	2,734

# THE JOHN STRUTT MEMORIAL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 13 Creditors: amounts falling due within one year

	2019 £	2018 £
Borrowings	105,225	70,000
Trade creditors	12,476	1,311
Other creditors	613	825
Accruals and deferred income	86,064	6,426
	<u>204,378</u>	<u>78,562</u>

Included with borrowings is £105,225 (2018: £70,000) due to The Arthur Strutt Testamentary Trust, this amount is secured by a fixed charge over one of the charity's investment properties.

During the year the charity breached the terms of the loan from the Arthur Strutt Testamentary Trust. At the reporting date the carrying amount of the related loan was £105,225. The terms of the loan have been renegotiated prior to the authorisation of the financial statements.

### 14 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 £7,515 (2018: £6,412) to McCormicks Solicitors, a firm in which Mr Peter McCormick OBE, trustee, is a partner.

The charity incurred management fees and expenses of £19,035 (2018: £26,093) 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 £4,258 (2018: £1,194).

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 £35,225 (2018: £70,000). At the year end the outstanding balance was £105,225 (2018: £70,000). 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 £3,503 (2018: £Nil), a charity in which all trustees also act as trustees. At the year ended there was an amount owed to the charity of £3,000 (2018: £Nil), this balance is included within other debtors.