

BILL BROWN 1989 CHARITABLE TRUST

ANNUAL REPORT AND ACCOUNTS

30TH JUNE 2019

***PAYNE HICKS BEACH***

Solicitors

10 New Square

Lincoln's Inn

London WC2A 3QG

BILL BROWN 1989 CHARITABLE TRUST

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ADMINISTRATIVE INFORMATION ABOUT THE CHARITY, ITS TRUSTEES AND ADVISERS

TRUSTEES : Graham Stephen Brown  
Anthony John Barnett

PRINCIPAL ADDRESS : BM Box 4567  
London WC1N 3XX

WEBSITE ADDRESS : [www.billbrowncharity.org](http://www.billbrowncharity.org)

CHARITY REGISTRATION NUMBER : 801756

AUDITOR : Buzzacott LLP  
130 Wood Street  
London EC2V 6DL

INVESTMENT MANAGER : Investec Wealth and Investment Limited  
30 Gresham Street  
London EC2V 7QN

BANKERS : CAF Bank  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent ME19 4JQ

PROPERTY MANAGEMENT : Hall Barn Estates Limited  
The Estate Office  
Home Farm  
Hall Barn  
Beaconsfield  
Bucks HP9 2SG

Bidwells LLP  
Bidwell House  
Trumpington Road  
Cambridge CB2 9LD

SOLICITORS AND ADMINISTRATORS : Payne Hicks Beach  
10 New Square  
Lincoln's Inn  
London WC2A 3QG

TRUSTEES' REPORT - 30TH JUNE 2019

The trustees present their statutory report together with the accounts of The Bill Brown 1989 Charitable Trust for the year ended 30th June 2019.

The accounts have been prepared in accordance with the accounting policies set out on pages 14 to 16 of the attached accounts and comply with the Charity's trust deed, applicable laws, applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 United Kingdom and Republic of Ireland (FRS 102), and Updated Bulletin 1 and Update Bulletin 2.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT**

### **Governance**

The Bill Brown 1989 Charitable Trust is governed by a trust deed dated 2nd May 1989. The charity is registered under the Charities Act 2011, Charity Registration No. 801756.

The statutory power of appointment of new trustees lies with the trustees themselves.

The names of the trustees who served during the year are set out as part of the administrative information on page 1 of this Annual Report and Accounts. Brief biographical details are given below:

### **Graham Stephen Brown**

Mr. Brown has been a trustee since inception. He was a partner in Payne Hicks Beach from 1972 until 2009, and was senior partner from 1994 to 2008, and was a consultant with the firm until retiring on 31st May 2014. He is an Honorary Bencher of the Honourable Society of Lincoln's Inn. Mr. Brown is not related to the late settlor.

### **Anthony John Barnett**

Mr. Barnett was appointed a trustee on 26th September 1997. He is a Chartered Accountant and finance director of Independent Commercial Broking Limited.

On agreeing to their appointment, the trustees are thoroughly briefed by their co-trustees on the history of the trust, the day-to-day management, the responsibilities of the trustees, the current objectives and future plans.

### **Trustees' responsibilities statement**

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

Charity law in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity at the year end and of its income and expenditure during that year. In preparing accounts giving a true and fair view, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in 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 United Kingdom and Republic of Ireland (FRS 102);

TRUSTEES' REPORT - 30TH JUNE 2019

**GOVERNANCE, STRUCTURE AND MANAGEMENT (Continued)**

**Trustees' responsibilities statement (continued)**

- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

**Structure and management reporting**

The trustees are ultimately responsible for the policies, activities and assets of the charity. They meet twice a year to review the developments with regard to the charity, its grant giving activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including investment managers, solicitors and accountants. The day to day management of the charity's activities, and the implementation of policies, is delegated to the Private Client Department of Payne Hicks Beach. The trustees are continuing to review and develop the process of managing grant applications and Payne Hicks Beach administers payments and keeps the books and records of the charity.

At their meetings the trustees review the investment performance, and the investment managers attend the meetings to update the trustees in detail on the portfolio. The trustees review the proposals for grants to be made and approve such grants as appropriate.

**Risk management**

In line with the requirement for charity trustees to undertake a risk assessment exercise and report on the same in their annual report, the trustees have looked at the risks the Bill Brown 1989 Charitable Trust currently faces and have reviewed the measures in place, or needing to be put in place, to deal with them. The trustees have identified three main areas where risks may occur:

- Governance
- Operational
- Financial

**Governance** looks at the continuity of trusteeship, the skills and background of the trustees and the policies of regular meetings of the trustees to review their aims and activities.

**Operational** looks at the risk inherent in the delegation of statutory and legal requirements of the charity, its management and secretarial functions and delegation of certain of those functions, and its grant giving activities.

TRUSTEES' REPORT - 30TH JUNE 2019

**GOVERNANCE, STRUCTURE AND MANAGEMENT (Continued)**

**Financial** risks include those inherent in delegation of management and custody of listed investments to independent investment managers, the financial record keeping of the charity, its investment policy, audit and review procedures.

Having assessed the major risks to which the charity is exposed, in particular those relating to its investments and its finances, the trustees believe that by ensuring controls exist over key financial systems incorporating the systems and controls implemented by Payne Hicks Beach, and by delegating the listed investment management function to investment managers, subject to regular monitoring, including periodic reviews of performance against benchmarks, they have established effective systems to mitigate those risks.

The risk assessment is kept under regular review and is fully reassessed every three years.

The keys risks faced by the charity, as identified by the trustees, are described below together with the principal ways in which they are mitigated.

The charity's largest asset class comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet twice a year with the investment managers and the manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs - both now and in the future.

Having completed a programme of investment in commercial properties in Beaconsfield, Buckinghamshire, the charity now has properties informally valued at 30th June 2019 at £9,085,000 before set off of a loan from CAF Bank secured against the properties. The trustees carry out regular reviews of the properties in conjunction with their property agents Bidwells LLP who remain engaged to carry out regular strategic reviews.

The charity carries out its objectives by providing grants to institutions that are also UK registered charities, whose objects comply with the charity's criteria. There is a risk that a grant provided by the charity may not reach the intended recipient and/or may be used for purposes not consistent with the charity's objects. Whilst the trustees are mindful of their own obligation to ensure that the charity benefits the public generally, they take some assurance from the fact that recipients of grants are themselves regulated to ensure that they operate for the public benefit.

**ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES**

**Activities and specific objectives**

The trustees operate a grant giving policy, providing funds for such charitable objects or institutions as the trustees think fit.

Institutions intending to make an appeal are directed to the website [www.billbrowncharity.org](http://www.billbrowncharity.org) where more detailed information concerning particular areas of support, application guidelines, exclusions and grants can be found.

The trustees aim to make annual equivalent distributions of approximately £475,000, including bursary commitments of approximately £300,000. After taking account of the bursaries and the grants regularly made, there are limited funds available for distribution to other charities in accordance with the guidelines set out in the grant giving policy as summarised on the charity's website.

TRUSTEES' REPORT - 30TH JUNE 2019

**ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (Continued)**

**Objectives and activities for the public benefit**

The trustees take their inspiration in identifying their areas of interest from the life of the Settlor, and his own thoughts and wishes, so far as they are known.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy.

The Trust carries out these objectives by providing grants and commitments to institutions that are also UK registered charities, whose objects comply with the Trust's criteria. Whilst the trustees are mindful of their own obligation to ensure that the Trust benefits the public generally, they take some assurance from the fact that recipients of grants are themselves regulated to ensure that they operate for the public benefit.

Potential recipients of grants are identified by the trustees individually in areas where it is perceived that public benefit will be achieved. The opportunity to benefit is not restricted in any way except that grants are restricted to bodies registered in the UK, not least to facilitate the trustees being able to follow up on the efficacy of the grants made. In all other respects grants are not limited in any way except that the recipients should have a charitable need.

The trustees therefore consider that the Trust's activities are for the benefit of the public generally.

**Key management**

The trustees consider the comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All trustees give of their time freely and no trustee received any remuneration in the year. Details of trustees' expenses and remuneration and any related party transactions are disclosed in note 3 and 4 to the accounts. As noted above, the day or day management of the charity's activities, and the implementation of policies, is delegated to the Private Client Department of Payne Hicks Beach.

**Listed investment policy**

The charity has portfolios of listed investments with an aggregate market value as at 30th June 2019 of £9,533,362.

There are no restrictions on the charity's power to invest. Separate investment strategies are agreed between the trustees and the two firms of investment managers and are regularly reviewed. These are the subject of separate policy statements which have been completed by the trustees and form an integral part of the agreements with the investment managers to provide investment management services.

The investment managers are invited to attend each formal meeting of the trustees to provide a report on the performance of the portfolios, comparison against the benchmarks and general market issues.

**ACHIEVEMENTS AND PERFORMANCE**

**Commercial property**

The trustees have four commercial properties and details of these are shown in the attached accounts. Improvement works to the properties have been undertaken and the properties are let. At the period end the properties were valued at £9,085,000. The property investment, including the improvement works, have been funded by a loan amounting to £1,851,566 at 30th June 2019 which is secured on three of the commercial properties.

TRUSTEES' REPORT - 30TH JUNE 2019

**ACHIEVEMENTS AND PERFORMANCE (Continued)**

**Review of activities**

Total income received in the period from the charity's investment assets and cash deposits amounts to £698,439, which equates to a yield of 3.6% (based on the market valuation of the assets at the year end). The trustees awarded grants totalling £207,500 during the year, in accordance with the charity's grant giving policy set out above. A detailed list of all grants made in the period is included in the Appendix on page 22.

The trustees maintain a list of charitable organisations which the charity regularly supports and they are currently undertaking a comprehensive review of their grant giving policy as set out above.

The trustees feel that their objectives have been adequately met during the period.

However, the trustees are aware that there are external factors, which could affect the achievement of their objectives as a significant part of the charity's assets are made up of investments and cash, the result of which are dependent on the general performance of the UK and overseas stock markets. As noted above under risk management, in order to minimise this, the trustees have set prudent investment policies and place reliance on the investment managers to monitor and advise on the necessary investment changes and suitable asset allocation.

**Investment performance**

The yield from the combined income of listed investment assets and cash deposits was 3.76%, and there was a capital increase of 2.7% (based on the valuation of assets at the period end). At the end of the period the charity's portfolio of investments comprised of 62% UK equities and unit trusts, 6% UK fixed interest, 32% overseas equities and fixed interest.

The aggregate rents for the period from the lettings of the properties at London End was £371,028 which equates to a gross yield of 4.08% p.a.

In view of the current volatility in financial markets, the trustees are satisfied with the performance of the listed investments and they are content also with the return from the investment properties. They are satisfied that their investment objectives will be met over the medium term.

**FINANCIAL REVIEW**

**Results for the year**

A summary of the period's results can be found on page 11 of this report and accounts.

During the year ended 30th June 2019, total income amounted to £698,439 (period ended 30th June 2018 - £570,743), being income arising from the charity's investments including rental income and cash deposits.

The trustees made grants and commitments to 18 institutions totalling £207,500 (period ended 30th June 2018 - £197,500), investment managers fees were £44,718 (period ended 30th June 2018 - £40,802), grant administration costs totalled £60,853 (period ended 30th June 2018 - £57,370), property expenses amounted to £166,151 (including CAF Loan Interest of £68,215) (period ended 30th June 2018 - £131,945) and governance costs were £6,056 (period ended 30th June 2018 - £5,734). Total expenditure was £485,278 (period ended 30th June 2018 - £433,351).

There were net gains on listed investments and investment property during the year of £188,195 (period ended 30th June 2018 - £606,036).



TRUSTEES' REPORT - 30TH JUNE 2019

**FINANCIAL REVIEW (Continued)**

**Results for the year (Continued)**

This results in net income or a net increase in funds during the year of £401,356 (period ended 30th June 2018 - net income of £743,428).

**Reserves policy and financial position**

***Reserves policy***

The trustees' policy is to operate on the basis of being able to continue to generate sufficient incoming resources to use towards meeting their charitable objects and to accord with their principal aims. The trustees are of the opinion that the funds remains sufficient to enable them to continue this ongoing objective.

The charity has sufficient, but not excessive, funds to service its objective of making future charitable distributions.

***Financial position***

The balance sheet shows total funds of £16,930,403 (period ended 30th June 2018 - £16,529,047). The unrestricted fund comprises amounts which ultimately are free reserves but which are held by the trustees for investment so as to ensure the continued generation of income in future periods, thereby helping to safeguard the long term existence of the charity and the achievement of its objectives. The size of the unrestricted fund sustains and supports the levels of donations which the trustees wish to maintain and enhance over time. The trustees consider free reserves to be adequate but not excessive in the light of the charity's reserve policy set out above.


**Future plans**

The trustees do not anticipate any significant changes to the charity or its activities over the next two to five years. It is their intention to meet the following objectives:

- To increase their direct investment in commercial property.
- To ensure the performance of both listed investments and property achieves the criteria set by them so that there are sufficient funds to meet their grant giving policies.
- To continue to make grants and commitments at a similar or higher level.

Signed on behalf of the trustees:

  
.....  
Trustee

  
.....  
Trustee

Approved by the trustees on:.....20 June 2019.....2019

INDEPENDENT AUDITOR'S REPORT - 30TH JUNE 2019

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF  
THE BILL BROWN 1989 CHARITABLE TRUST**

**OPINION**

We have audited the accounts of Bill Brown 1989 Charitable Trust (the 'charity') for the year ended 30th June 2019 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of the charity's affairs as at 30th June 2019 and of its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

**OTHER INFORMATION**

The trustees are responsible for the other information. The other information comprises the information included in the annual report and accounts other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT - 30TH JUNE 2019

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF  
THE BILL BROWN 1989 CHARITABLE TRUST**

**OTHER INFORMATION (CONTINUED)**

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ACCOUNTS**

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT - 30TH JUNE 2019

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF  
THE BILL BROWN 1989 CHARITABLE TRUST**

**USE OF OUR REPORT**

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP.....

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London EC2V 6DL

20 February 2020

Buzzacott LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30TH JUNE 2019

<b>Period 1st September 2017 to 30th June 2018</b>		<b>Notes</b>	<b>Year to 30th June 2019</b>
<b>£</b>			<b>£</b>
	INCOME FROM:		
312,114	Rental income		371,028
29,365	Service charges		43,322
229,165	Income from listed investments	1	283,009
99	Interest receivable		1,080
<hr/>			<hr/>
570,743	TOTAL INCOME		698,439
	EXPENDITURE ON		
	Raising funds		
40,802	Investment management costs		44,718
131,945	Property expenses		166,151
	Charitable activities		
	Promoting and enhancing charitable work	2	274,409
260,604			<hr/>
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433,351	TOTAL EXPENDITURE		485,278
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137,392	NET INCOME BEFORE INVESTMENT GAINS		213,161
	Investment gains:		
16,334	Realised (losses)/gains on listed investments	6	(74,232)
340,362	Unrealised gains on listed investments	6	323,081
249,340	Unrealised (losses)/gains on investment property	7	(60,654)
<hr/>			<hr/>
743,428	NET INCOME AND NET MOVEMENT IN FUNDS		401,356
	RECONCILIATION OF FUNDS		
15,785,619	Total funds brought forward at 1st July 2018		16,529,047
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16,529,047	Total funds carried forward at 30th June 2019		16,930,403
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All recognised gains and losses are included in the above statement of financial activities.

All of the charity's activities derived from continuing operations during the above two financial periods.



STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2019

<u>2018</u> £		<u>2019</u> £
	CASH FLOWS FOR OPERATING ACTIVITIES	
743,428	Net income for the year	401,356
(606,036)	Net loss on investments	(188,195)
(99)	Interest receivable	(1,080)
(229,165)	Investment income receivable	(283,009)
(116,675)	Increase in debtors	(5,981)
(249,745)	Increase/(decrease) in creditors	(381,368)
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(458,292)	NET CASH USED IN OPERATING ACTIVITIES	(458,277)
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	CASH FLOWS FROM INVESTING ACTIVITIES	
(1,369,449)	Payments to acquire investments	(820,267)
(3,120,660)	Purchases of fixed assets	(25,654)
4,679,414	Receipts from disposals of investments	1,261,722
99	Interest receivable	1,080
229,165	Investment income received	283,009
<hr/>		<hr/>
418,569	NET CASH PROVIDED BY INVESTING ACTIVITIES	699,890
<hr/>		<hr/>
	CHANGES IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD	
531,292	Balance at beginning of the period	491,569
39,723	Movement in cash in the year	241,613
491,569	Balance at end of the period	733,182

PRINCIPAL ACCOUNTING POLICIES - 30TH JUNE 2019

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

**Basis of preparation**

These accounts have been prepared for the year ended 30th June 2019 with comparative information in respect to the period 1st September 2017 to 30th June 2018.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes of these accounts.

The accounts have been prepared 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16th July 2014, Update Bulletin 1 issued on 2nd February 2016, Update Bulletin 2 issued on 5th October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

**Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the trustees to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- estimating the liability for multi-year grant commitments.
- estimating the valuation of the investment property.

**Assessment of going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect of a period of one year from the date of approval of these accounts.

The trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the account are detailed above. With regard to the next accounting period, the year ending 30th June 2020, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

**Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises property rental income and services charges, investment income from listed investments and interest from deposits.

Rental income and service charges from investment properties are recognised when they become due under the relevant tenancy agreement.



PRINCIPAL ACCOUNTING POLICIES - 30TH JUNE 2019

**Income recognition (Continued)**

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligations can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between the activities is as follows:

- (a) Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes the fees paid to the investment manager in connection with the management of the charity's listed investments and the costs in respect to the charity's investment properties.
- (b) Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants payable in promoting and enhancing charitable work carried out by other charitable organisations, and related support costs including the cost of administering the activities of the charity and governance costs.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. Grants approved but not paid at the end of the financial period are accrued for. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

**Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of administration services.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect of its compliance with regulation and good practice.

Support costs and governance costs are apportioned directly to the one charitable activity.

**Fixed asset investments**

Fixed asset investments (both listed investments and property) are included on the balance sheet at their market value at the end of the financial period. Realised and unrealised gains (or losses) are credited (or debited), to the statement of financial activities in the year in which they arise.

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

PRINCIPAL ACCOUNTING POLICIES - 30TH JUNE 2019

**Fixed asset investments (Continued)**

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that a volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Investment properties are initially recognised at cost. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure such as legal and brokerage fees, property transfer taxes and other transaction costs.

Investment properties have subsequently been measured at fair value (i.e. open market value) at the reporting date.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial period. Unrealised gains and losses are calculated as the difference between the fair value at the period end and their carrying value at that date. Realised and unrealised investment gains (or losses) are credited (or debited) in the statement of financial activities in the period in which they arise.

**Loans**

Bank loans are a basic financial instruments and are recognised at their transaction value, which is normally the principal amount advanced plus transaction costs. Subsequent to initial recognition, loans are stated at amortised cost with any difference between cost and redemption value being recognised the statement of financial activities using the effective interest method.

**Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

**Cash in bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

**Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

**Fund accounting**

The unrestricted fund represents funds available for the general charitable purposes of the charity which may be applied at the discretion of the trustees.

NOTES TO THE ACCOUNTS - 30TH JUNE 2019

**1 INVESTMENT INCOME**

Income from listed investments arises from the following investments:

<b>Period 1st September 2017 to 30th June 2018</b>		<b>Year to 30th June 2019</b>
<b>£</b>		<b>£</b>
	Direct investments:	
190,500	UK Equities and Unit Trusts	222,659
12,834	Fixed Interest	18,772
3,474	Reits	4,738
9,917	Overseas Equities	26,811
12,440	Overseas Interest	10,029
229,165		283,009

**2 PROMOTING AND ENHANCING CHARITABLE WORK**

<b>Period 1st September 2017 to 30th June 2018</b>		<b>Year to 30th June 2019</b>
<b>£</b>		<b>£</b>
197,500	Grants payable to institutions	207,500
57,370	Grant administration costs	60,853
5,734	Governance costs (note 3)	6,056
260,604		274,409

A reconciliation of the grants payable and grant commitments figures shown in these accounts is as follows:

<b>Period 1st September 2017 to 30th June 2018</b>		<b>Year to 30th June 2019</b>
<b>£</b>		<b>£</b>
1,101,950	Grant commitments at 1st July 2018	798,864
197,500	Grants agreed during the year	207,500
1,299,450	Grants payable	1,006,364
(500,586)	Grants paid during the year	(512,084)
798,864	Grant commitments at 30th June 2019	494,280

In addition to the amounts committed and accrued and noted above, the trustees from time to time also authorise certain grants which are subject to the recipient fulfilling certain conditions. The total amount authorised but not accrued for in these accounts at 30th June 2019 was £nil (2018 - £nil).

NOTES TO THE ACCOUNTS - 30TH JUNE 2019

**3 GOVERNANCE COSTS**

<u>Period 1st September 2017 to 30th June 2018</u>		<u>Year to 30th June 2019</u>
£		£
4,234	Statutory audit fee	4,356
1,500	Trustees' expenses	1,700
<hr/>		<hr/>
5,734		6,056
<hr/>		<hr/>

**4 STAFF COSTS AND TRUSTEES' REMUNERATION**

The charity employed no staff during the year (2018 - none).

No trustee received any remuneration in respect of their services during the year (2018 - £nil).

Two trustees were reimbursed £850 each for expenditure incurred in the performance of their duties during the year (2018 - two trustees were reimbursed £750 each).

The key management personnel of the charity in charge of directing and controlling the charity comprise the trustees.

The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £nil (2018 - £nil).

**5 TAXATION**

The Bill Brown 1989 Charitable Trust is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities as they fall within the exemptions available to registered charities.

**6 LISTED INVESTMENTS**

<u>2018</u>		<u>2019</u>
£		£
	Movements in listed investments during the year were as follows:	
12,679,237	Market value at 1st July 2018	9,725,968
1,369,449	Additions at cost	820,267
(4,663,080)	Disposals at book value (proceeds: £1,261,722; losses £74,232)	(1,335,954)
340,362	Net unrealised gains in year	323,081
<hr/>		<hr/>
9,725,968	Market value at 30th June 2019	9,533,362
<hr/>		<hr/>
6,746,339	Cost of listed investments 30th June 2019	6,482,136
<hr/>		<hr/>

NOTES TO THE ACCOUNTS - 30TH JUNE 2019

**6 LISTED INVESTMENTS Continued)**

All investments were dealt in on a recognised stock exchange:

<u>2018</u> £		<u>2019</u> £
	Listed investments held at 30th June 2019 comprise the following investments all listed on a UK stock exchange:	
6,166,848	UK Equities and Unit Trusts	5,896,183
621,020	UK Fixed Interest	622,874
<hr/>		<hr/>
6,787,868		6,519,057
	Overseas	
2,714,453	Equities	2,794,943
223,647	Fixed Interest	219,362
<hr/>		<hr/>
<u>9,725,968</u>		<u>9,533,362</u>

At 30th June 2019 no individual holdings were considered material.

**7 FREEHOLD INVESTMENT PROPERTY**

<u>2018</u> £		<u>2019</u> £
5,750,000	Market value brought forward	9,120,000
-	Additions	25,654
3,120,660	(Purchase 13th February 2018)	-
249,340	Revaluation	(60,654)
<hr/>		<hr/>
<u>9,120,000</u>		<u>9,085,000</u>

The freehold properties were revalued as at 30th June 2019 on an open market value. The valuations were carried out by the trustees with professional assistance.

The market values of the properties as at 30th June are:

1,620,000	5 London End, Beaconsfield, Bucks	1,690,000
4,375,000	35/37/39 London End, Beaconsfield, Bucks	4,430,000
3,125,000	51/53 London End, Beaconsfield, Bucks	2,965,000
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<u>9,120,000</u>		<u>9,085,000</u>

NOTES TO THE ACCOUNTS - 30TH JUNE 2019**7 FREEHOLD INVESTMENT PROPERTY (Continued)**

<u>2018</u> £		<u>2019</u> £
	The historic cost of the properties are:	
1,358,150	5 London End, Beaconsfield, Bucks HP9 2HW	1,358,150
570,408	35 London End, Beaconsfield, Bucks HP9 2HW	570,408
3,086,630	37/39 London End, Beaconsfield, Bucks HP9 2HW	3,086,630
3,120,660	51/53 London End, Beaconsfield, Bucks HP9 2HW	3,146,314
<hr/>		<hr/>
8,135,848		8,161,502
<hr/>		<hr/>

**8 DEBTORS**

<u>2018</u> £		<u>2019</u> £
184	Income Tax recoverable	184
2,416	VAT recoverable	2,943
44	(Accrued Interest)	-
11,466	Rent arrears	12,429
	Philip Marsh Collins Deung	
119,928	Accrued income held	108,297
	Hall Barn Estates Ltd.	
-	Accrued income held	11,238
-	Accrued interest on investments	4,928
<hr/>		<hr/>
134,038		140,019
<hr/>		<hr/>

**9 CASH AT BANK AND IN HAND**

<u>2018</u> £		<u>2019</u> £
358,501	Investec Wealth and Investment	585,127
133,068	CAF Bank Ltd.	127,322
-	Payne Hicks Beach	20,733
<hr/>		<hr/>
491,569		733,182
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NOTES TO THE ACCOUNTS - 30TH JUNE 2019**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

<u>2018</u>			<u>2019</u>
£			£
58,864	Loan (note 11)		60,870
3,805	CAF Loan repayment and interest accrual		3,664
90,798	Deferred income		83,023
30,069	Grant administration costs		33,484
	Statutory audit fee		
3,550	2018	3,550	
	2019	4,356	
		-----	7,906
11,427	Investment management fees		11,479
	Grants		
40,000	(Churchill College Cambridge)		-
14,760	Bristol Grammar School		14,760
25,000	(University of Bristol - Engineering Outreach)		-
74,824	(Moorfields Eye Charity)		-
150,000	University of Bristol - Bill Brown Design Suite		150,000
15,716	VAT payable		15,625
1,290	(Payne Hicks Beach)		-
13,204	(Bidwells)		-
-	Saffrey Champness		1,800
63,333	Other creditors		58,333
			-----
<u>596,640</u>			<u>440,944</u>

**11 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

<u>2018</u>			<u>2019</u>
£			£
	Loan		
60,870	Within 1 - 2 years	63,129	
201,862	Within 2 - 5 years	203,798	
1,588,876	After 5 years	1,523,769	
		-----	
<u>1,851,608</u>			1,790,696
	Grants		
44,280	Bristol Grammar School		29,520
450,000	University of Bristol - Bill Brown Design Suite		300,000
			-----
<u>2,345,888</u>			<u>2,120,216</u>

The trustees took out a 25 year term repayment loan with CAF of £2,100,000 on the 31st March 2015, secured on 5, 35 and 37/39 London End, Beaconsfield, Bucks HP9 2HW.

The monthly repayments are £10,625.18 and the total interest repayable over the 25 years term at the current rate payable of 3.65% is £1,071,513.

APPENDIX: GRANTS PAYABLE

<u>GRANTS PAYABLE:</u>	<u>Amount</u>
<u>Institutions</u>	<u>£</u>
Alzheimer's Society	7,500
Barnardo's	3,750
Charities Aid Foundation Trust	75,000
Contact the Elderly	7,500
Crohn's and Colitis UK	7,500
DEBRA	7,500
Dementia UK	10,000
Leonard Cheshire Disability	7,500
Linden Lodge School	5,000
Macmillan Cancer Support	15,000
Marie Curie Cancer Care	7,500
Multiple Sclerosis Society	7,500
RAF Benevolent Fund	5,000
Richmond Borough MIND	3,750
St. Christopher's Hospice	5,000
Salvation Army	15,000
STUBS	10,000
Treloar Trust	7,500
	<hr/>
	<u>207,500</u>

Total grants and donations made to institutions during 2018 amounted to £197,500