

**Report of the Trustees and**  
**Financial Statements**  
**for the Year Ended 31 December 2019**  
**for**  
**J A Clark Charitable Trust**

MHA Monahans  
Statutory Auditor  
Chartered Accountants  
Fortescue House  
Court Street  
Trowbridge  
Wiltshire  
BA14 8FA

**J A Clark Charitable Trust**

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for the Year Ended 31 December 2019**

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## J A Clark Charitable Trust

### Report of the Trustees for the Year Ended 31 December 2019

The trustees present their report with the financial statements of the charity for the year ended 31 December 2019. The trustees have adopted the provisions of 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) (effective 1 January 2019).

#### **OBJECTIVES AND ACTIVITIES**

##### **Charitable Objectives and Activities**

The objects of the Trust are: to pay or apply its funds for the benefit of such charitable institutions, or for such charitable purposes, as the trustees in their absolute discretion from time to time think fit.

In 2019 the trustees conducted a comprehensive strategic review of the Trust for the first time since its inception. The review was prompted by the recognition that the non-profit landscape has changed considerably since the Trust's creation. The review was far-reaching and included the grant-making programme, governance, management, the finance function and investments. The review took into consideration the Trust's own experiences of grant-making as well as best practice in grant-making. Grant-making was suspended for the duration of the review period.

The outcome of the comprehensive strategic review is a new organisational strategy for the period 2020 to 2030. This outlines the new grant-making policy of the Trust and how the Trust will make use of all of its assets and resources to achieve it.

To maximise the potential impact of the Trust's scarce resources, the trustees have chosen to focus their funding for the next decade on just one issue. The trustees consider climate change to be an existential threat and believe the forced displacement of people to be a defining issue of our time. Research into these two issues identified the intersection of forced displacement and climate change as an important but relatively neglected and underfunded issue. The new funding programme on Climate Change and Displacement aims to achieve positive outcomes for people and the planet.

Every year millions of people are forced to leave their homes as a result of conflict and natural disasters. We are now witnessing the highest level of displacement on record; 70.8 million people have been forcibly displaced worldwide (UNHCR, 2020).

Climate change is a key reason for the increase in displacement and is putting many millions more at risk of displacement in the future. At the same time, refugees and internally displaced people are affected by the climate crisis. In fact, they are particularly vulnerable to the effects of the climate crisis as many displaced people live in fragile environments and/or climate change hot spots. The increase in population in these fragile environments leads to further environmental deterioration, which further aggravates the impact of climate change.

In face of this complex issue we have chosen to focus on three key intersections:

1. **Forcibly displaced people and their host communities.** We want to improve the lives of those forcibly displaced and help protect and restore the natural environment in which they live.
2. **Returnees and the communities they return to.** We want to improve the lives of those who return after displacement and help protect and restore the natural environments of the places they return to.
3. **People at acute risk of displacement.** We want to improve the lives of those at acute risk of displacement in ways that focus on protecting and restoring the natural environment in which they live

The new funding programme will launch in 2020. The funding strategy will evolve over time in response to changes in the Trust's understanding of the context, needs and opportunities to make a difference. However, the dual objective of delivering benefit for people and the planet will not change. For the first two years of the strategic period the Trust will adopt a learning approach, making only short-term awards. From 2022 onwards we anticipate making a smaller number of multi-year grants.

##### **Public benefit**

The objects of the Trust are given above. The trustees confirm that they have given due regard to the Charity Commission's published guidance on public benefit when reviewing the Trust's activities and in setting the grant-making policy. Trustees keep public benefit in mind when reviewing applications and making grant decisions. The Trustees ensure that all projects and organisations funded by the Trust have charitable objects or purposes as defined by the Charities Act 2011.

The Trust delivers public benefit through its grant-making activities, the aim of which is to improve the quality of life for people in need, in particular forcibly displaced people, their host communities and those at risk of displacement. Addressing the risks associated with climate change is a secondary aim. The Trust will resume grant-making in 2020 under the new Climate Change and Displacement funding programme.

**J A Clark Charitable Trust**  
**Report of the Trustees**  
**for the Year Ended 31 December 2019**

**OBJECTIVES AND ACTIVITIES**

**Social investments**

The Trust made no social investments in 2019. The repayments on the social investment made in 2016 are on schedule.

**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

The Trust awarded no new grants in 2019. The main achievement of the Trust was the development of a new funding programme, outlined above, as part of the comprehensive strategic review.

Throughout 2019, the Trust continued to actively engage with and support partners who had been awarded multi-year grants under the previous strategy. The 2017 Strategy focused on women's empowerment in Africa and Asia and disadvantaged young people in London. At the start of 2019 the Trust, had seven major partnerships under these two programmes. In addition the Trust made a number of one-year grants under a general fund in 2018 and the Trust continued to engage with these grantees in 2019.

**Impact**

As a grant-making charity the Trust achieves impact through funding the work of other charities. In assessing impact the trustees focus on the outcomes of the initiatives we fund. All grant recipients are required to provide us with a final project report that details the extent to which activities have delivered positive changes for beneficiaries. Where relevant, the trustees also consider any impacts on the capacity of the organisation itself.

The wide range of activities we support in diverse contexts means that we do not have a standard impact indicator against which all projects are measured. Instead each project is taken on an individual basis and outcomes are measured against the objectives agreed with the project.

The main outcomes of all the grants that completed in 2019 are reported below.

**Women's Empowerment Fund.**

In 2019 two projects closed and reported their impact to us. In headline terms, the final grant reports show that our funding contributed significantly to the following:

- Strengthening the livelihoods and voices of 1,100 women smallholder farmers in eastern Zambia through training in conservation agriculture. Despite the failure of the rains in the 2018/19 rainy season, 63% of participating households are food secure and average household daily income nearly quadrupled from \$0.32 to \$1.21. In addition, our grant leveraged £300,000 in grants from other foundations for work in eastern Zambia. Send a Cow Zambia, July 2017 - June 2019, £95,000.
- Improving the organisational sustainability of Khwendo Kor, a Pakistani NGO by strengthening their financial capacity. Project and programme managers now have access to financial information and understand how to use it. Enabling KK to use its resources more effectively so that more women and girls can benefit from their work. Khwendo Kor, Pakistan, £15,000.

**General Fund**

In 2019 five projects closed and reported their impact to us.

- 64 young Syrian refugees in Lebanon benefitted from intensive Arabic, English and Maths lessons as well as psycho-social support. Attending school on a regular basis also provided some protection from child labour and early marriage. Sawa Development for Aid, Lebanon, £25,000.
- Improved access to clean water for 500 people and greater food security for 70 people in southeast Kenya from the construction of a sand dam and training in conservation agriculture. Excellent Development, £10,000.
- 1,157 Vietnamese factory workers are more aware of their labour rights, including contractual obligations, working hours and rights to maternity leave. This makes them less vulnerable to exploitation. The Asia Foundation, £10,000.
- Establishment of a crèche at the Bridgwater Women's Centre. This enables more women to access services at the Women's Centre on a regular basis. The Nelson Trust, £10,000.
- Conversion of two shipping containers into safe, warm, low-cost houses demonstrating one possible solution to the housing crisis. The local authority has not adopted the idea, but the two houses created are now located on a farm and provide homes to 2 previously homeless individuals. Glastonbury Trust, £10,000.

**J A Clark Charitable Trust**  
**Report of the Trustees**  
**for the Year Ended 31 December 2019**

**FINANCIAL REVIEW**

**Financial position**

The principal funding source of the Trust is from investment income of £269,659 (2018: £401,758). Total income was £269,835 (2018: £603,456), representing a decrease of 53.7% compared to 2018.

The trustees carried out a comprehensive strategic review in the financial year and suspended grant-making for the duration. No new grants were awarded during the financial year. Hence expenditure in 2019 was considerably lower than in the previous year. Expenditure in 2019 was £126,416 (2018: £528,577), representing 46% of income. Grants for charitable purposes were a net £7,476 (2018: £406,512).

**Investment Policy and Performance**

The investment objective of the Trust balances the need for income to sustain grant distribution with maintaining the long-term real value of the investment fund. The investments consist of a shareholding in C&J Clark Ltd, part of the original endowment, and a portfolio of other investments.

The investment portfolio was managed by Rathbone Brothers Plc. Rathbone comfortably exceeded the investment return target they had been set.

The trustees take a responsible and ethical view to investing, considering environmental, social and governance issues. In 2019 the trustees reviewed and updated the investment policy to reflect trustees' interest in supporting the transition to a post-Carbon economy and concerns that their investments may unintentionally undermine our funded work. The Trust is a founder signatory to the Funder Commitment on Climate Change, thereby committing the Trust to utilise its investments to support the transition to a post-Carbon future. By the end of 2019 the Trust had divested from all fossil fuel stocks and moved its investments to Rathbone Greenbank.

**Reserves policy**

The Trust's funds are largely held as an expendable endowment. The trustees do not operate a reserves policy, but manage the balance between short and long-term financial objectives through their grant making and investment policies. The trustees consider that holding cash equivalent to one year's expenditure in bank accounts is prudent given current market conditions.

Unrestricted reserves at 31 December 2019 were £364,363.

**Fundraising**

The charity does not actively solicit donations from the public and therefore has no need to develop formal policies on its fundraising approach.

**FUTURE PLANS**

The trust will resume grant-making in 2020 under the new 2020 to 2030 JAC Trust Strategy.

The overall objective of the funding programme is to deliver tangible positive benefits for displaced people and for the planet/natural environment. In 2020 the Trust will have two open funding rounds for one-year grants works up to £25,000. UK and non-UK registered charities and social enterprises that feel they fit the criteria will be able to apply using the online application system. The precise funding criteria for each round will be revised between rounds to reflect the lessons learnt by the Trust.

To improve communications and facilitate access to our funding, the Trust launched a website in March 2020, [www.jaclarktrust.org](http://www.jaclarktrust.org). All funding applications are made through the website.

The Trust will incorporate in 2020 by converting into a CIO. The trustee board of the CIO consists of three existing trustees and three new trustees. All trustees have defined roles and responsibilities. To reduce the carbon footprint of the Trust, the trustees have committed themselves to only one face-to-face meeting per year, all other trustee meetings will be on-line.

The post of Trust Manager has been upgraded to Trust Director, effective from 1st February 2020. The Director of the Trust will support the trustees in all aspects of running the Trust, including strategy and planning, good governance, grant-making and operational management.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The JA Clark Charitable Trust is constituted under a trust deed dated 19 March 1992 and is a registered charity, number 1010520.

In 2019 the trustees reviewed the existing structure and governance framework as part of a strategic review of the Trust. The trustees decided it was advisable to incorporate the Trust. Consequently, in 2020 the Trust will apply to the Charity Commission to convert to a CIO.

**J A Clark Charitable Trust**  
**Report of the Trustees**  
**for the Year Ended 31 December 2019**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governance**

The trustees met three times in 2019 to initiate and carry out a Strategic Review of the Trust as well as consider routine governance of the charity. Grant-making was suspended for the duration of the comprehensive strategic review and no new grants were made in 2019.

The detailed work of the strategic review was delegated to a Working Group consisting of eight descendants of the founder. All four trustees were members of the Working Group. The Working Group met five times during the year to consider different aspects of the comprehensive strategic review.

The Trust has a long-term relationship with the Eucalyptus Foundation, to which it provides an annual grant, and with which it co-operates in pursuit of its charitable objectives.

**Management**

The Trustees are supported in the day-to-day management of the Trust by the Trust Manager Daniela Lloyd-Williams.

The Trust's remuneration policy is to balance the wish to attract and retain suitably qualified and experienced staff and careful management of the charity's funds. As far as is practicable, salaries are set to the market average for grant-making charities of a similar size. The salary was last benchmarked in 2018. All salaries are reviewed annually and any pay increases are linked to performance and approved by the Board.

**Principal Risks and Uncertainties**

The trustees have examined the major risks to which the Trust is exposed. Risks are assessed on the basis of their likelihood and potential impact. The trustees are satisfied that it has policies, procedures and systems in place to manage the risks the charity faces.

The Trustees considered the following to be the key risks faced by the JA Clark Trust:

- Volatile and uncertain income: the reduced dividend from C&J Clark Ltd. has led to lower and more uncertain income for the Trust. Similarly, as a result of the economic impact of the coronavirus pandemic, income from the investment portfolio is likely to be more volatile and uncertain. There is a risk that the Trust overcommits its funds and has to draw on long-term capital to cover multi-year grant commitments. To mitigate this risk we have taken the following steps; the 2020 grant-making budget draws entirely on cash balances built up in previous years, no multi-year awards will be made in 2020 and 2021; multi-year grants made thereafter are fully budgeted and accounted for in the year the grant is awarded, grant-making budgets are adjusted on an annual basis.
- Partner delivery risk: the Trust funds the work of independent not-for-profit organisations. There is a risk that the agreed objectives are not achieved due to; the inherent risk of failure in an innovative project, poor project design, a lack of financial and/or human capacity to carry out the work, natural hazards and conflict impeding project implementation, the sudden closure of a charity. The trustees believe that local organisations are often best placed to respond to problems and are therefore willing to fund non-UK registered charities. The trustees are willing to fund high-risk projects in certain situations where success could lead to truly transformative results and risks are clearly acknowledged and described. In general, risks are mitigated through due diligence and monitoring procedures. Larger and multi-year awards undergo more stringent due diligence procedures than smaller awards.
- Covid-19: Measures to prevent the spread of coronavirus may seriously impact the ability of our grantees to carry out their work and deliver agreed outcomes, thereby reducing our impact. Such measures may also significantly reduce the incomes of our grantees making them financially unviable. There is a risk that the Trust will reduce its grant-making significantly if applicants are not able to demonstrate that the work can go ahead. The Trust will consider the viability of applications on a case-by-case basis. We are clear that the need to fund humanitarian energy, eco-livelihoods for refugees and invest in natural resource management in humanitarian settings has not been reduced by the coronavirus pandemic.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Charity number**

1010520

**Principal address**

PO Box 1704  
Glastonbury  
Somerset  
BA16 0YB

**J A Clark Charitable Trust**  
**Report of the Trustees**  
**for the Year Ended 31 December 2019**

**Trustees**

O Clark Campbell Chair  
T Clark  
A Pelly  
W Pym

All four trustees are descendants of J. Anthony Clark, the founder of the Trust. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 10 to the accounts.

The deed provides for new trustees to be appointed by the existing trustees. On appointment trustees are given an induction pack and have briefing meetings with both the Chair and the Trust Manager to familiarise themselves with the charity, its governance, the context it operates in and their own roles and responsibilities. No new trustees were appointed in 2019.

**Auditors**

MHA Monahans  
Statutory Auditor  
Chartered Accountants  
Fortescue House  
Court Street  
Trowbridge  
Wiltshire  
BA14 8FA

**Bankers**

NatWest Bank plc  
72 High Street  
Street  
Somerset  
BA16 0EJ

Cater Allen Private Bank  
9 Nelson Street  
Bradford  
BD1 5AN

**Fund Managers**

Rathbone Brothers Plc  
1 Curzon Street  
London  
W1J 5FB

**Solicitors**

Veale Wasbrough Vizards LLP  
Narrow Quay House,  
Narrow Quay,  
Bristol, BS1 4QA

Thrings Solicitors  
The Paragon  
Counterslip  
Bristol, BS1 6BX

**Principal Staff**

D Lloyd-Williams (Trust Manager)

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**AUDIT**

In 2019 the trustees tendered for new auditors and appointed MHA Monahans as auditors of the charity for the financial year ending 31 December 2019.

A resolution proposing that MHA Monahans be re-appointed as the auditors of the charity for the financial year ending 31 December 2020 was passed at the AGM on 1st February 2020.

**J A Clark Charitable Trust**

**Report of the Trustees**  
**for the Year Ended 31 December 2019**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 22 June 2020 and signed on its behalf by:

O Clark Campbell - Trustee

**Report of the Independent Auditors to the Trustees of**  
**J A Clark Charitable Trust**

**Opinion**

We have audited the financial statements of J A Clark Charitable Trust (the 'charity') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements 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 financial statements 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, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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 where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements 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 Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

**Report of the Independent Auditors to the Trustees of**  
**J A Clark Charitable Trust**

**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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 financial statements.

A further description of our responsibilities for the audit of the financial statements 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 Report of the Independent Auditors.

**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 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 auditors' 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.

MHA Monahans  
Statutory Auditor  
Chartered Accountants  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
Fortescue House  
Court Street  
Trowbridge  
Wiltshire  
BA14 8FA

2 July 2020

**J A Clark Charitable Trust**

**Statement of Financial Activities**  
**for the Year Ended 31 December 2019**

	Notes	Unrestricted funds £	Endowment funds £	2019 Total funds £	2018 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	-	-	-	191,412
Investment income	3	269,659	-	269,659	401,758
Other income	4	176	-	176	10,286
<b>Total</b>		<b>269,835</b>	<b>-</b>	<b>269,835</b>	<b>603,456</b>
<b>EXPENDITURE ON</b>					
Raising funds	5	12,801	45,413	58,214	53,171
<b>Charitable activities</b>					
Family Fund	6	68,202	-	68,202	93,213
Women's Empowerment Fund		-	-	-	204,028
Youth Projects Fund		-	-	-	78,273
Other Grants		-	-	-	99,892
<b>Total</b>		<b>81,003</b>	<b>45,413</b>	<b>126,416</b>	<b>528,577</b>
Net gains/(losses) on investments		-	(2,407,005)	(2,407,005)	(1,002,110)
<b>NET INCOME/(EXPENDITURE)</b>		<b>188,832</b>	<b>(2,452,418)</b>	<b>(2,263,586)</b>	<b>(927,231)</b>
<b>Transfers between funds</b>	21	<b>107,399</b>	<b>(107,399)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>					
Gains on revaluation of fixed assets		-	2,154	2,154	-
<b>Net movement in funds</b>		<b>296,231</b>	<b>(2,557,663)</b>	<b>(2,261,432)</b>	<b>(927,231)</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>68,132</b>	<b>15,496,654</b>	<b>15,564,786</b>	<b>16,492,017</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>364,363</b>	<b>12,938,991</b>	<b>13,303,354</b>	<b>15,564,786</b>

The notes form part of these financial statements

**J A Clark Charitable Trust**

**Balance Sheet**  
**31 December 2019**

	Notes	Unrestricted funds £	Endowment funds £	2019 Total funds £	2018 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	-	197,936	197,936	195,782
<b>Investments</b>					
Investments	14	-	11,601,211	11,601,211	14,164,994
Investment property	15	-	1,139,844	1,139,844	1,135,879
Social investments	16	14,400	-	14,400	29,600
		<u>14,400</u>	<u>12,938,991</u>	<u>12,953,391</u>	<u>15,526,255</u>
<b>CURRENT ASSETS</b>					
Debtors	17	1,474	-	1,474	1,747
Investments	18	15,200	-	15,200	10,800
Cash at bank		477,136	-	477,136	263,775
		<u>493,810</u>	<u>-</u>	<u>493,810</u>	<u>276,322</u>
<b>CREDITORS</b>					
Amounts falling due within one year	19	(118,679)	-	(118,679)	(142,123)
		<u>375,131</u>	<u>-</u>	<u>375,131</u>	<u>134,199</u>
<b>NET CURRENT ASSETS</b>					
		<u>375,131</u>	<u>-</u>	<u>375,131</u>	<u>134,199</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>389,531</u>	<u>12,938,991</u>	<u>13,328,522</u>	<u>15,660,454</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	20	(25,168)	-	(25,168)	(95,668)
		<u>364,363</u>	<u>12,938,991</u>	<u>13,303,354</u>	<u>15,564,786</u>
<b>NET ASSETS</b>					
		<u>364,363</u>	<u>12,938,991</u>	<u>13,303,354</u>	<u>15,564,786</u>
<b>FUNDS</b>	21				
Unrestricted funds				364,363	68,132
Endowment funds:					
Expendable endowment				12,936,837	15,496,654
Tangible fixed asset revaluation reserve				2,154	-
				<u>12,938,991</u>	<u>15,496,654</u>
<b>TOTAL FUNDS</b>				<u>13,303,354</u>	<u>15,564,786</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 22 June 2020 and were signed on its behalf by:

O Clark Campbell - Trustee

**J A Clark Charitable Trust**

**Cash Flow Statement**  
**for the Year Ended 31 December 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	25	(161,544)	(620,266)
Net cash used in operating activities		<u>(161,544)</u>	<u>(620,266)</u>
<b>Cash flows from investing activities</b>			
Purchase of fixed asset investments		(859,642)	(2,399,131)
Sale of fixed asset investments		1,012,455	2,295,704
Sale of investment property		(2,154)	-
Movement in cash held for investment		-	181,897
Interest received		1,809	1,198
Dividends received		243,126	380,277
Property income		24,724	10,146
Net cash provided by investing activities		<u>420,318</u>	<u>470,091</u>
<b>Cash flows from financing activities</b>			
Income attributable to endowment		-	190,000
Expenditure attributable to endowment		(45,413)	(43,034)
Net cash (used in)/provided by financing activities		<u>(45,413)</u>	<u>146,966</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
		213,361	(3,209)
<b>Cash and cash equivalents at the beginning of the reporting period</b>			
		<u>263,775</u>	<u>266,984</u>
<b>Cash and cash equivalents at the end of the reporting period</b>			
		<u><u>477,136</u></u>	<u><u>263,775</u></u>

The notes form part of these financial statements

## **J A Clark Charitable Trust**

### **Notes to the Financial Statements** **for the Year Ended 31 December 2019**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with estimating the liability from multi-year grant commitments. With respect to the next year, the most significant areas of uncertainty that affect the carry value of assets held by the Trust are the level of investment return and the performance of investment markets.

The Trust constitutes a public benefit entity as defined by FRS102.

##### **Judgements and key sources of estimation uncertainty**

The preparation of accounts in conformity with FRS102 requires the trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values and liabilities that are not readily available from other sources. 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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Certain critical accounting judgements in applying the charity's accounting policies are described below:

The trustees have considered the valuation of fixed asset investments and have concluded that no impairments are necessary.

##### **Income**

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

Investment income, consisting of interest and dividends, is accounted for on a receivable basis.

##### **Expenditure**

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged as an expense against the activity for which the expenditure arose.

Grants made are included in the accounts when they are authorised by the trustees.

Costs of generating funds are those incurred in managing the investments. Other costs are governance and support costs.

Staff and secretarial costs are estimated to be 100% support. Meeting and stationery costs are estimated to be 20% support and 80% governance-related. Website marketing is 100% support cost.

## **J A Clark Charitable Trust**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2019**

#### **1. ACCOUNTING POLICIES - continued**

##### **Expenditure**

Governance and support costs are then allocated between the programme funds based on the number of recipients of grants for each programme fund.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

##### **Tangible fixed assets**

Land and buildings are included in the balance sheet at their fair value. Revaluations of the properties are taken to a revaluation reserve within the endowment funds of the charity as detailed in note 21. The trustees will obtain a formal valuation of the properties every 5 years and re-estimate the market value each year based on the Land Registry House Price Index for the South West in the years between formal valuations. The investment properties were last formally valued at 25 October 2016, which was taken as a best approximation to the valuation on 31 December 2016. Capital expenditure incurred on the properties is also added to the book value in the period between valuations. Further detail is provided in note 14.

##### **Fixed asset investments**

Listed investments and properties are included in the balance sheet at fair value (their market value).

The realised and unrealised gains on investments are reflected in the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value as the period end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the statement of financial activities.

##### **Programme-related investments**

Programme-related investments are included in the balance sheet at their fair value (the value of the loan outstanding).

##### **Debtors and creditors**

Debtors and creditors are measured as invoiced price, less any applicable discounts.

##### **Short term liquid investments and cash**

Cash at bank is held to meet short-term commitments and they fall due rather than for investment purposes and included all cash equivalents held in the form of short-term highly liquid investments. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

##### **Taxation**

The charity is exempt from tax on its charitable activities.

##### **Fund accounting**

Funds consist of a general unrestricted fund and an expendable endowment fund. Grants and support costs are paid out of the general unrestricted funds. Investment management fees are charged to the expendable endowment fund. Revaluations in tangible fixed assets are disclosed within endowments in a separate tangible fixed asset revaluation reserve,

##### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### **Pension costs and other post-retirement benefits**

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The costs of the defined contribution scheme are included within support and governance costs and charged to the unrestricted funds of the charity using the methodology set out in note 8.

The trust has no liability beyond making its contributions and paying the deductions for the employee's contributions.

##### **Financial instruments**

The charity has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS102 to all of its financial instruments.

**J A Clark Charitable Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**1. ACCOUNTING POLICIES - continued**

**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 accounts, 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 instruments**

Basic financial assets, which include debtors and cash bank balances, are initially measured at transaction price including transaction costs and 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 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.

Trade creditors are obligations to pay for the goods or service that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**Derecognition of financial liabilities**

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

**2. DONATIONS AND LEGACIES**

	2019	2018
	£	£
Gifts	-	190,000
Donations	-	1,310
Repayable tax deducted at source	-	102
	<u>-</u>	<u>191,412</u>

Gifts represent the transfer of ownership of 34 Pine Close from the JA Clark 1960 Settlement.

**3. INVESTMENT INCOME**

	2019	2018
	£	£
Property income	24,724	20,283
Listed investment portfolio	202,026	202,177
Unlisted investment portfolio	41,100	178,100
Deposit account interest	1,809	1,198
	<u>269,659</u>	<u>401,758</u>

**J A Clark Charitable Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

<b>4. OTHER INCOME</b>		2019	2018
		£	£
Exchange rate gains		<u>176</u>	<u>10,286</u>
<b>5. RAISING FUNDS</b>			
<b>Raising donations and legacies</b>		2019	2018
		£	£
Rental expenses		<u>12,801</u>	<u>10,137</u>
<b>Investment management costs</b>		2019	2018
		£	£
Investment management		<u>45,413</u>	<u>43,034</u>
Aggregate amounts		<u>58,214</u>	<u>53,171</u>
<b>6. CHARITABLE ACTIVITIES COSTS</b>			
	Grant funding of activities (see note 7)	Support costs (see note 8)	Totals
	£	£	£
Family Fund	<u>7,476</u>	<u>60,726</u>	<u>68,202</u>
<b>7. GRANTS PAYABLE</b>		2019	2018
		£	£
Family Fund		7,476	79,434
Women's Empowerment Fund		-	190,250
Youth Projects Fund		-	74,828
Other Grants		-	62,000
		<u>7,476</u>	<u>406,512</u>

**J A Clark Charitable Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2019**

**7. GRANTS PAYABLE - continued**

The total grants paid to institutions during the year was as follows:

	2019	2018
	£	£
Eucalyptus Charitable Foundation	7,946	34,434
Excellent Development	-	10,000
Glastonbury Trust	-	10,000
SAWA Development & Aid	-	25,000
CWCC	-	120,000
Khwendo Kor	-	15,000
MyAgro	-	40,000
Sisters for Change	-	(84,750)
Sponsored Arts for Education	-	100,000
Mediorite	-	74,828
Alexandra Wylie Tower Foundation	-	5,000
Amasosha Art Advancement	-	3,000
Asia Foundation	(470)	12,000
Do Good Jamaica	-	3,000
Greenhouse Sports	-	3,000
Help Refugees	-	3,000
Nelson Trust	-	12,000
Somerset Community Fund	-	12,000
St Abbs & Eyemouth Voluntary Marine Reserve	-	3,000
Surfers Not Street Children	-	3,000
The Orpheus Centre	-	3,000
	<u>7,476</u>	<u>406,512</u>

**Reconciliation of grants**

	£
Grants committed for the year	-
Grants paid during the year	(88,000)
Commitments at 1 January 2018	204,202
	<u>116,202</u>
Commitments at 31 December 2019	116,202
Commitments at 31 December 2019 are payable as follows:	
Within one year	91,034
After more than one year	25,168
	<u>116,202</u>

In addition the charity paid a donation of £7,946 to the Eucalyptus Charitable Foundation as set out in note 22..

**8. SUPPORT COSTS**

	Other	Governance	Totals
	£	costs	£
	£	£	£
Family Fund	<u>34,999</u>	<u>25,727</u>	<u>60,726</u>

**J A Clark Charitable Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**8. SUPPORT COSTS - continued**

The allocation of governance and support costs between the programme funds of the trust is proportional, based on the number of recipients of grants for each primary objective. This apportionment will be recalculated each year.

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost type	Other support	Governance	2019	2018
	£	£	£	£
Staff costs	19,315	-	19,315	21,201
Administration	10,248	2,562	12,810	11,969
Meetings, travel and office	3,158	8,256	11,414	17,012
Website marketing	948	-	948	720
AFC membership and seminars	1,330	-	1,330	-
Accountancy	-	9,914	9,914	14,904
Audit	-	3,840	3,840	2,670
Legal	-	714	714	-
Bank charges	-	441	441	418
	<u>34,999</u>	<u>25,727</u>	<u>60,726</u>	<u>68,894</u>

Allocation of administration is based on an estimate that 20% of such expenses relate to governance activities.

Allocation of a meetings, travel and office is based on an estimate that 80% of such expenses relate to governance activities.

In 2018 allocation of staff costs was based on an estimate that 20% of such expenses related to governance activities.

**9. AUDITORS' REMUNERATION**

	2019	2018
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>3,840</u>	<u>2,670</u>

**10. TRUSTEES' REMUNERATION AND BENEFITS**

The trustees all give freely their time and expertise without any form of remuneration or other benefits in cash or kind (2018: £nil).

No monetary value has been assigned to this donated time in the accounts in line with the Charities SORP (FRS102).

**Trustees' expenses**

Trustees were reimbursed for travel costs incurred on trust business (i.e. attending trustee meetings), and the trust also paid for membership and training courses for the trustees provided by the Association of Charitable Foundations. These expenses totalled £1,979 (2018: £2,458).

**J A Clark Charitable Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**11. STAFF COSTS**

	2019	2018
	£	£
Wages and salaries	15,565	17,452
Other pension costs	3,750	3,750
	19,315	21,202
	19,315	21,202

The average monthly number of employees during the year was as follows:

	2019	2018
Charitable activities	1	1
	1	1
	1	1

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

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Endowment funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	1,412	190,000	191,412
Investment income	401,758	-	401,758
Other income	10,286	-	10,286
	413,456	190,000	603,456
<b>Total</b>	413,456	190,000	603,456
<b>EXPENDITURE ON</b>			
Raising funds	10,137	43,034	53,171
<b>Charitable activities</b>			
Family Fund	93,213	-	93,213
Women's Empowerment Fund	204,028	-	204,028
Youth Projects Fund	78,273	-	78,273
Other Grants	99,892	-	99,892
	485,543	43,034	528,577
<b>Total</b>	485,543	43,034	528,577
Net gains/(losses) on investments	-	(1,002,110)	(1,002,110)
	(72,087)	(855,144)	(927,231)
<b>NET INCOME/(EXPENDITURE)</b>	(72,087)	(855,144)	(927,231)
<b>Transfers between funds</b>	70,055	(70,055)	-
	(2,032)	(925,199)	(927,231)
<b>Net movement in funds</b>	(2,032)	(925,199)	(927,231)
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	70,164	16,421,853	16,492,017
	68,132	15,496,654	15,564,786
<b>TOTAL FUNDS CARRIED FORWARD</b>	68,132	15,496,654	15,564,786

**J A Clark Charitable Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**13. TANGIBLE FIXED ASSETS**

	Freehold property £
<b>COST OR VALUATION</b>	
At 1 January 2019	195,782
Revaluations	2,154
	197,936
At 31 December 2019	197,936
<b>NET BOOK VALUE</b>	
At 31 December 2019	197,936
At 31 December 2018	195,782

On 27 November 2018, the JA Clark 1960 Settlement transferred ownership of 34 Pine Close BA16 0RS to the charity in order for it to be held for charitable purposes. It is currently being used as accommodation for a refugee family.

The property was professionally valued in November 2018 before the transfer, and has been uplifted in 2019 using the Land Registry House Price Index.

**14. FIXED ASSET INVESTMENTS**

	Investments £	Cash and settlements pending £	Totals £
<b>MARKET VALUE</b>			
At 1 January 2019	13,656,768	508,226	14,164,994
Additions	1,308,921	(449,279)	859,642
Disposals	(1,012,455)	-	(1,012,455)
Revaluations	(2,410,970)	-	(2,410,970)
	11,542,264	58,947	11,601,211
At 31 December 2019	11,542,264	58,947	11,601,211
<b>NET BOOK VALUE</b>			
At 31 December 2019	11,542,264	58,947	11,601,211
At 31 December 2018	13,656,768	508,226	14,164,994
			£
Listed shares and securities			7,751,764
Unlisted shares			3,790,500
Cash held as part of the investment portfolio			58,947
			11,601,211
			£
Investment assets in the UK			8,560,536
Investment assets outside the UK			3,040,675
			11,601,211

The change in market value during the year, and shown in the revaluations above, comprises all the increases and decreases in the market value of investments held at any time during the year including profits and losses realised on sales of investments during the year.

All investments are carried at their fair value. Investments in listed and fixed interest securities are all traded on quoted public markets. Holdings in common investment funds, unit trusts and open-ended investments companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost.

The following holding represents more than 5% of the market value of the combined portfolios and is therefore classed as a material interest of the trust.

**J A Clark Charitable Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**14. FIXED ASSET INVESTMENTS - continued**

	Market value at 31/12/2019
	£
C & J Clark Ltd £1 ordinary shares	3,790,500
	<u><u>3,790,500</u></u>

At 31 December 2019 the trustees held 1,330,000 £1 ordinary shares. They were valued by PriceWaterhouseCoopers in September 2019 at a price of £2.85 per share, and it is this value which has been used for the purposes of these accounts.

**15. INVESTMENT PROPERTY**

	£
<b>FAIR VALUE</b>	
At 1 January 2019	1,135,879
Revaluation	3,965
	<u>1,139,844</u>
At 31 December 2019	<u>1,139,844</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>1,139,844</u>
At 31 December 2018	<u><u>1,135,879</u></u>

The freehold land and buildings were professionally valued at £1,040,000 as at 31 December 2016. The trustees have revalued the land and buildings represented by the cottage based on the Land Registry House Price Index for the South West, using the average percentage change in value for existing properties for the year to December 2019, which was 1.1%. No revaluation has been attributed to the land and buildings represented by the farmland on the basis that farmland indices indicate that there was no increase in value for the year to 31 December 2019.

**Reconciliation of investment property valuation**

	£
Carrying value at 1 January 2019	1,135,879
Revaluation	3,965
	<u>1,139,844</u>
Carrying value at 31 December 2019	<u><u>1,139,844</u></u>

**16. SOCIAL INVESTMENTS**

In August 2016 the trustees lent £54,000 to Soul of Africa Ltd, which has used it to set up a shoe-making business in Ethiopia.

The loan is to be repaid in tranches, with the final tranche and interest of 1% of the loan principal to be repaid on 31 May 2021. £10,800 was repaid this year and £15,200 is due to be repaid next year.

	2019	2018
	£	£
Loan for repayment - due within 1 year (see note 18)	15,200	10,800
Loan for repayment - not due within 1 year	14,400	29,600
	<u>29,600</u>	<u>40,400</u>
Total due for repayment	<u><u>29,600</u></u>	<u><u>40,400</u></u>

**J A Clark Charitable Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2019**

<b>17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
	2019	2018
	£	£
Income tax repayment due	-	1,747
Prepayments and accrued income	1,474	-
	<u>1,474</u>	<u>1,747</u>

<b>18. CURRENT ASSET INVESTMENTS</b>		
	2019	2018
	£	£
Loan to Soul of Africa UK Ltd	15,200	10,800
	<u>15,200</u>	<u>10,800</u>

<b>19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
	2019	2018
	£	£
Grants payable	91,034	108,534
Accruals and deferred income	27,645	33,589
	<u>118,679</u>	<u>142,123</u>

<b>20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>		
	2019	2018
	£	£
Grants payable	25,168	95,668
	<u>25,168</u>	<u>95,668</u>

<b>21. MOVEMENT IN FUNDS</b>				
	At 1.1.19	Net	Transfers	At
	£	movement	between	31.12.19
		in funds	funds	£
		£	£	
<b>Unrestricted funds</b>				
General fund	68,132	188,832	107,399	364,363
<b>Endowment funds</b>				
Expendable endowment	15,496,654	(2,452,418)	(107,399)	12,936,837
Tangible fixed asset revaluation reserve	-	2,154	-	2,154
	<u>15,496,654</u>	<u>(2,450,264)</u>	<u>(107,399)</u>	<u>12,938,991</u>
<b>TOTAL FUNDS</b>	<u>15,564,786</u>	<u>(2,261,432)</u>	<u>-</u>	<u>13,303,354</u>

Net movement in funds, included in the above are as follows:

	Incoming	Resources	Gains and	Movement
	resources	expended	losses	in funds
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	269,835	(81,003)	-	188,832
<b>Endowment funds</b>				
Expendable endowment	-	(45,413)	(2,407,005)	(2,452,418)
Tangible fixed asset revaluation reserve	-	-	2,154	2,154
	<u>-</u>	<u>(45,413)</u>	<u>(2,404,851)</u>	<u>(2,450,264)</u>
<b>TOTAL FUNDS</b>	<u>269,835</u>	<u>(126,416)</u>	<u>(2,404,851)</u>	<u>(2,261,432)</u>

**J A Clark Charitable Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**21. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	At 1.1.18 £	Net movement in funds £	Transfers between funds £	At 31.12.18 £
<b>Unrestricted funds</b>				
General fund	70,164	(72,087)	70,055	68,132
<b>Endowment funds</b>				
Expendable endowment	16,421,853	(855,144)	(70,055)	15,496,654
<b>TOTAL FUNDS</b>	<u>16,492,017</u>	<u>(927,231)</u>	<u>-</u>	<u>15,564,786</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	413,456	(485,543)	-	(72,087)
<b>Endowment funds</b>				
Expendable endowment	190,000	(43,034)	(1,002,110)	(855,144)
<b>TOTAL FUNDS</b>	<u>603,456</u>	<u>(528,577)</u>	<u>(1,002,110)</u>	<u>(927,231)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.18 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
<b>Unrestricted funds</b>				
General fund	70,164	116,745	177,454	364,363
<b>Endowment funds</b>				
Expendable endowment	16,421,853	(3,307,562)	(177,454)	12,936,837
Tangible fixed asset revaluation reserve	-	2,154	-	2,154
	<u>16,421,853</u>	<u>(3,305,408)</u>	<u>(177,454)</u>	<u>12,938,991</u>
<b>TOTAL FUNDS</b>	<u>16,492,017</u>	<u>(3,188,663)</u>	<u>-</u>	<u>13,303,354</u>

## J A Clark Charitable Trust

### Notes to the Financial Statements - continued for the Year Ended 31 December 2019

#### 21. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	683,291	(566,546)	-	116,745
<b>Endowment funds</b>				
Expendable endowment	190,000	(88,447)	(3,409,115)	(3,307,562)
Tangible fixed asset revaluation reserve	-	-	2,154	2,154
	<u>190,000</u>	<u>(88,447)</u>	<u>(3,406,961)</u>	<u>(3,305,408)</u>
<b>TOTAL FUNDS</b>	<u>873,291</u>	<u>(654,993)</u>	<u>(3,406,961)</u>	<u>(3,188,663)</u>

The expendable endowment funds represent the original capital of the Trust, the gift of the property from the JA Clark 1960 settlement (see note 13) realised and unrealised gains and losses on investments, the related investment management fees incurred and any charitable expenditure since the fund was set up.

The fixed asset revaluation reserve represents the unrealised gains on the gifted property from the JA Clark 1960 settlement.

General unrestricted funds are available to be spent for any purpose of the Trust.

#### 22. RELATED PARTY DISCLOSURES

Note 7 shows that donations of £7,476 (2018: £34,434) were made to the Eucalyptus Charitable Foundation ("Eucalyptus"). This reflects a long-standing agreement to mandate the dividends on 264,880 C&J Clark Ltd shares directly to Eucalyptus.

John Cyrus Clark, a trustee of Eucalyptus, is the brother of Thomas Clark, a trustee of the JA Clark Charitable Trust.

Note 16 shows details of a loan advanced to Soul of Africa UK Ltd. the director of Soul Africa UK Ltd, Dulma Clark, is the sister-in-law of Odette Clark Campbell.

Donations from trustees and other related parties to the JA Clark Charitable Trust without attached conditions totalled £1,311 in 2018 (2019: £nil).

Note 13 shows details of a property gifted to the Trust by the JA Clark 1960 Settlement.

#### 23. POST BALANCE SHEET EVENTS

Since the 31 December 2019, the Covid-19 global pandemic has negatively impacted global economies and it is likely that the market value of the Charity's investments will have declined. Since this occurred after the year end no adjustments have been made to the carrying value of assets. At the time of approving these financial statements it was not possible to reliably estimate the impact of this event.

Since the year end the Charity has begun the process of changing its legal structure. A new charitable incorporated organisation (CIO) was registered with the Charity Commission on 18 May 2020. The new CIO is called the JAC Trust, charity number 1189523. The trustees intend to transfer all the assets of the Trust, including any endowment assets, together with all of the Trust's liabilities, to the CIO.

**J A Clark Charitable Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**24. ULTIMATE CONTROLLING PARTY**

The charity is controlled jointly by the trustees.

**25. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2019 £	2018 £
<b>Net expenditure for the reporting period (as per the Statement of Financial Activities)</b>	(2,263,586)	(927,231)
<b>Adjustments for:</b>		
Losses on investments	2,407,005	1,002,110
Interest received	(1,809)	(1,198)
Dividends received	(243,126)	(380,277)
Income attributable to endowment	-	(190,000)
Expenditure attributable to endowment	45,413	43,034
Property income	(24,724)	(10,146)
Non-cash donation	-	(195,782)
Loan to Soul of Africa UK Ltd	10,800	10,200
Gain on revaluation of fixed assets	2,154	-
Decrease in debtors	273	18,008
(Decrease)/increase in creditors	(93,944)	11,016
<b>Net cash used in operations</b>	(161,544)	(620,266)

**26.. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.19 £	Cash flow £	At 31.12.19 £
<b>Net cash</b>			
Cash at bank	263,775	213,361	477,136
	263,775	213,361	477,136
<b>Liquid resources</b>			
Deposits included in cash	-	-	-
Current asset investments	10,800	4,400	15,200
	10,800	4,400	15,200
<b>Total</b>	274,575	217,761	492,336

**27. FAIR VALUE OF ASSETS AND LIABILITIES**

**Exposure to credit risk**

The main debtor of the charity is Rathbone Investment Management who hold investment income at the year end. The risk of loss arising from the investment manager failing to pay over the income generated by the investment portfolio is considered low as the investment manager is a regulated institution and the income is paid over regularly to the charity's bank account.

**Exposure to market risk**

Investments represent the majority of the charity's net assets. The risk of a financial loss arising from listed investments due to changes in the market is mitigated by the active management of the investment portfolio by a professional investment manager and the diversification of the investment portfolio based on an investment policy approved by the trustees.

The unlisted investment in C&J Clark Limited is revalued based on semi-annual valuations of the shared by PricewaterhouseCoopers, Chartered Accountants. The valuation incorporated in the accounts was prepared in September 2019, the valuation closest to the balance sheet date. The trustees keep this investment under regular review having regard to their duty to consider suitability and appropriate diversification.

**Changes in fair value of debtors, creditors and investments due to credit risk**

**J A Clark Charitable Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2019**

**27. FAIR VALUE OF ASSETS AND LIABILITIES - continued**

There have been no changes in the fair values of basic financial instruments (debtors, creditors and investments) attributable to changes in credit risk.

**28. PRIOR YEAR ADJUSTMENTS**

Although the Charity holds an expendable endowment, this was not disclosed separately in the financial statements.

Similarly the charity held a separate revaluation reserve for investment gains, which is only required for incorporated charities.

The reserves have been changed to reflect the expendable endowment fund and to remove the revaluation reserve on investment assets. This change of presentation has not effected any balance sheet items or the surplus disclosed.

Similarly there have been several reclassifications of income and expenditure which have had no effect on the reported surplus or overall balance sheet position

**J A Clark Charitable Trust**

**Detailed Statement of Financial Activities**  
**for the Year Ended 31 December 2019**

	31.12.19	31.12.18
	£	£
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Gifts	-	190,000
Donations	-	1,310
Repayable tax deducted at source	-	102
	<hr/>	<hr/>
	-	191,412
<b>Investment income</b>		
Property income	24,724	20,283
Listed investment portfolio	202,026	202,177
Unlisted investment portfolio	41,100	178,100
Deposit account interest	1,809	1,198
	<hr/>	<hr/>
	269,659	401,758
<b>Other income</b>		
Exchange rate gains	176	10,286
	<hr/>	<hr/>
<b>Total incoming resources</b>	269,835	603,456
<b>EXPENDITURE</b>		
<b>Raising donations and legacies</b>		
Rental expenses	12,801	10,137
<b>Investment management costs</b>		
Investment management	45,413	43,034
<b>Charitable activities</b>		
Grants to institutions	7,476	406,512
<b>Support costs</b>		
<b>Other</b>		
Wages	15,565	13,962
Pensions	3,750	3,000
Administration	10,248	9,574
Meetings, travel and office	3,158	3,402
Website marketing	948	720
ACF membership & seminars	1,330	-
	<hr/>	<hr/>
	34,999	30,658
<b>Governance costs</b>		
Wages	-	3,490
Pensions	-	750
Auditors' remuneration	3,840	2,670
Administration	2,562	2,394
Meetings, travel and office	8,256	13,610
Legal	714	-
Accountancy	9,914	14,904
Bank charges	441	418
	<hr/>	<hr/>
	25,727	38,236
Total resources expended	<hr/>	<hr/>
	126,416	528,577
<b>Net income before gains and losses</b>	<hr/>	<hr/>
	143,419	74,879

This page does not form part of the statutory financial statements

**J A Clark Charitable Trust**

**Detailed Statement of Financial Activities**  
**for the Year Ended 31 December 2019**

	£	31.12.19	£	31.12.18
<b>Realised recognised gains and losses</b>				
Realised gains/(losses) on fixed asset investments	(2,410,970)		(1,038,397)	
Realised gains/(losses) on investment property	3,965		36,287	
	<u>(2,263,586)</u>		<u>(927,231)</u>	
<b>Net expenditure</b>	<u>(2,263,586)</u>		<u>(927,231)</u>	