

Report of the Trustees and
Financial Statements
for the Year Ended 31 December 2020
for
JAC Trust

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

JAC Trust

Contents of the Financial Statements
for the Year Ended 31 December 2020

	Page
Report of the Trustees	1 to 9
Report of the Independent Auditors	10 to 12
Statement of Financial Activities	13
Balance Sheet	14
Cash Flow Statement	15
Notes to the Financial Statements	16 to 28
Detailed Statement of Financial Activities	29 to 30

JAC Trust

Report of the Trustees
for the Year Ended 31 December 2020

Charity Name: JAC Trust

Registration Number: 1189523

Governing Document: Constitution of a Charitable Incorporated Organisation dated 18/05/2020

Registered Address: 43b Grange Road
Street
Somerset
BA16 0AY

Trustees Odette Clark Campbell (Chair)
Dulma Clark (appointed 1st July 2020)
Aidan Pelly
Andrew Pym (appointed 1st July 2020)
William Pym
John Turbervill (appointed 1st July 2020)

Principal Staff Daniela Lloyd-Williams (Director)

Bankers: NatWest Bank plc
72 High Street
Street
Somerset, BA16 0EJ

Auditors: MHA Monahans
Fortescue House
Court Street
Trowbridge, BA14 8FA

Fund Managers: Rathbone Greenbank Investments
10 Queen Street
Bristol
BS1 4NT

JAC Trust

Report of the Trustees for the Year Ended 31 December 2020

The Trustees present their report and the audited financial statements of JAC Trust for the year ended 31 December 2020. The charity was registered on 18 May 2020 and commenced operations on 1 July 2020

The financial statements comply with the governing document, the Charities Act 2011, and 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) (effective 1 January 2016).

Structure, Governance and Management

Incorporation of JAC Trust

JAC Trust is a Charitable Incorporated Organisation (CIO) governed according to its Constitution dated 18 May 2020. It commenced operations on 1 July 2020 when it took over the main business and assets of the J.A. Clark Charitable Trust (charity registration number 1010520). This completed the governance review of the J.A. Clark Charitable Trust initiated in 2019. The unincorporated charity is retained until i) new bank accounts in the name of JAC Trust are opened (the pandemic has led to long delays in the opening of new accounts), and ii) the first registration of land assets with the Land Registry is completed.

This report covers the 12 months from 1 January 2020 to 31 December 2020 and therefore includes six months of activities of the J.A. Clark Charitable Trust and six months of activities of JAC Trust.

Trustees

The Trustees who served since the establishment of the CIO and up to the date of this report were as follows:

Odette Clark Campbell (Chair)
Dulma Clark (appointed 01.07.2020)
Aidan Pelly
Andrew Pym (appointed 01.07.2020)
William Pym
John Turbervill (appointed 01.07.2020)

Four of the Trustees are descendants of J. Anthony Clark, the settlor of the J.A. Clark Charitable 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 9 to the accounts.

The Constitution provides for new Trustees to be appointed by the existing Trustees. On appointment, Trustees are given an induction pack and are offered one or more briefing meetings with the Director and/or Chair to familiarise themselves with the charity, its governance, the context it operates in and their own roles and responsibilities. Three of the Trustees are Trustees of the J.A. Clark Charitable Trust. Dulma Clark, Andrew Pym and John Turbervill were all newly appointed.

Governance

Trustees are responsible for all decisions on JAC Trust's policies and grants. The Trustees met four times in 2020, twice to discuss and approve grants and on two other occasions to discuss and progress governance and other matters.

JAC Trust has three committees which meet separately to the Board and report to it: Audit, Finance and Investment, Programme.

JAC Trust

Report of the Trustees for the Year Ended 31 December 2020

Management

The Trustees govern JAC Trust and control its strategic direction. They delegate the management of JAC Trust to the Trust Director, who is supervised by the Chair of the Board of Trustees and reports to the Trustees at their Board meetings.

JAC Trust's remuneration policy is to balance the wish to attract and retain suitably qualified and experienced staff with careful management of the charity's funds. On her appointment in 2020 the salary for the post of Director was set on the basis of the market average for grant-making charities of a similar size. Her salary is reviewed annually and any pay increase is linked to performance and approved by the Board.

Charitable Objectives and Activities

Objectives and activities for the public benefit

JAC Trust exists and operates for the public benefit. Through its grant-making and social investments it works to improve the quality of life for people in need in the UK and Internationally. The public benefit created by JAC Trust is demonstrated in this report through the listing of grants that we have made throughout the year.

The Trustees confirm that they have given due regard to the Charity Commission's published guidance on public benefit when reviewing JAC Trust's activities and in setting the funding strategy and 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 JAC Trust have charitable objects or purposes as defined by the Charities Act 2011.

The objects of JAC Trust are to advance purposes which are exclusively charitable according to the law of England and Wales as the Trustees may in their absolute discretion think fit. JAC Trust carries out these objectives by making grants to organisations that carry out charitable activities in the UK and internationally, and through social investments.

Strategy

In 2019 the Trustees suspended grant-making for the year and carried out a strategic review. This identified ***the intersection between climate change and forced displacement*** as an area of interest for the Trustees. The 2020 to 2030 JAC Trust Strategy, approved in February 2020, directs 90% of funding towards the intersection between climate change and forced displacement.

Every year millions of people are forced to leave their homes as a result of conflict and natural disasters. At the end of 2019 there were 79.5 million forcibly displaced people worldwide (UNHCR, 2021). 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.

The objective of JAC Trust is to support refugees, other forcibly displaced people, their host communities and those at acute risk of displacement to respond to the climate crisis while also promoting environmental recovery and protection.

For the first two years of the strategy, 2020 and 2021, JAC Trust will explore the climate change and forced displacement nexus, funding a number of diverse initiatives in order to maximise learning. From 2022 onwards the focus will narrow, and multi-year grants will be available.

JAC Trust supports individual family members in their philanthropic giving through a Family Fund. This builds a strong platform from which generations of the family can engage with and contribute to our work.

JAC Trust

Report of the Trustees for the Year Ended 31 December 2020

Achievements and Performance

Response to Covid-19 Pandemic

The impact of Covid-19 on the charity sector has been significant as incomes have shrunk while demand for services has increased. At the same time, Covid-19 has significantly worsened existing humanitarian challenges with forcibly displaced people particularly badly hit according to UNHCR. By mid 2020 the number of forcibly displaced people had surpassed 80 million. Given the above, the Trustees decided to continue with our core work of funding charities to support forcibly displaced people to respond to the climate crisis.

We contacted all our existing grantees in the UK and internationally, offering support and reassurance on the flexible nature of our funding and signed up to the Covid Funders Statement, committing us to listen and take a flexible approach to our work with grantees.

In April 2020, the Trustees decided to re-purpose the unspent portion of the Family Fund on a response to the Covid-19 pandemic. All donations made were unrestricted and no reporting requirements were placed on the organisations. In total nine Covid-19 awards were made for a total of £27,000.

Organisation	£	Additional Information
Dennis Hurley Centre, Durban, S.A.	3000	Food distribution in Durban
Rosa UK	3000	Domestic violence in the UK
The Felix Project	3000	Food distribution in London
Refugee Action	3000	Refugees in the UK
Hatch Enterprise	3000	Entrepreneurs in the UK
United Purpose	3000	International development
Friends of Khwendo Kor	3000	KK's work in Pakistan
Age International	3000	Supporting the elderly internationally
SAWA, Beirut	3000	Support for refugees in Lebanon

Core work: the intersection between climate change and forced displacement

In March 2020 JAC Trust launched the new funding programme. We published two open calls for proposals on our website (www.jaclarktrust.org), these elicited a total of 161 applications, of which 98 were eligible for funding and 12 were awarded a grant.

JAC Trust provided £272,740 in grant funding to twelve organisations, seven of which are UK registered charities. All the initiatives funded aim to have a positive impact on people and planet but there is great diversity in the issues addressed and solutions adopted. More details on our grantees are given below:

JAC Trust

Report of the Trustees for the Year Ended 31 December 2020

Organisation	Project Name	Location	Grant	Target Group
Ashden	2020 Ashden Award for Humanitarian Energy	Global	£25,000	IDPs/refugees & host community
Five Talents UK	Building economic and environmental resilience for Internally Displaced Communities in South Sudan.	South Sudan	£25,000	IDPs/refugees & host community
New Energy Nexus ENventure	Renewable Energy in Bidi Bidi and Kyangwali Refugee settlements in Uganda	Uganda	£25,000	IDPs/refugees & host community
Send a Cow	Send a Cow Uganda (SACU): Lamwo Integrated Refugee Project (Phase 2)	Uganda	£25,000	IDPs/refugees & host community
Small Steps Project	Improving the environment of child scavengers on Ngong Rubbish Dump.	Kenya	£25,000	At risk of displacement
Thousand Currents	Challenging Fossil Fuel Industries in support of at-risk communities in Nigeria	Nigeria	£15,000	At risk of displacement
AMOR	Food for Life: Building Climate Resilience of forcibly displaced Ixil Mayan women in Guatemala	Guatemala	£24,987	At risk of displacement
Brave Hearts Foundation	Briquettes for Development	Uganda	£24,981	IDPs/refugees & host community
Cord Global	Strengthening and Protecting Indigenous Rights to Protected Land (SPIRIT)	Cambodia, Laos, Vietnam	£20,000	At risk of displacement
Lotus Flower Trust	Artificial Glaciers for 2 high altitude villages in Ladakh	India	£22,800	At risk of displacement
RuWCED	Training IDP women on sustainable watershed management & the production of cleaner cookstoves in Bamenda	Cameroon	£25,000	IDPs/refugees & host community
The Ideas Partnership	Kosovo's returnee recyclers: transforming their lives as they transform the local environment	Kosovo	£14,987	Returnees

Funder Commitment on Climate Change

In November 2019 JAC Trust became a founder signatory of the Funder Commitment on Climate Change. As part of this commitment the Trustees agreed to report annually on progress against the five goals below:

1. *Educate and learn*: over the course of the year Trustees and the Trust Director have been provided with opportunities to learn more about the key causes of and solutions to climate change, primarily through our membership of the Environmental Funders Network and other funder bodies. We have also learnt from our grant applicants and grantees about novel ways grassroots organisations are adapting to and mitigating climate change.
2. *Commit resources*: our funding programme supports forcibly displaced people and those at acute risk of displacement to respond to the climate crisis. We therefore believe that all of the work we fund in some way addresses the causes and impacts of climate change.
3. *Integrate*: a focus on the transition to a post-Carbon world has been integrated into our entire grant-programme and investment policy.
4. *Steward our investments for a post-Carbon future*: we have disinvested entirely from fossil fuel stocks, shifted from negative screening to integration of ESG and moved investment managers to Rathbone Greenbank.
5. *Decarbonise our own operations*: as a small foundation with the sole staff member working from their home we have not engaged in an environmental audit. Prior to the pandemic trustee meetings were a major source of emissions due to the travel involved. Therefore, in February 2020 the Trustees decided to limit face-to-face meetings to one per year in order to reduce emissions.

JAC Trust

Report of the Trustees for the Year Ended 31 December 2020

Impact

As a grant-making charity JAC Trust achieves impact through funding the work of charities and other not-for profit organisations.

The wide range of activities we have supported in diverse contexts means that we do not have standard impact indicators 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. All grant recipients are required to provide us with a final project report that details the extent to which the activities delivered positive changes for the people they work with. Where relevant, the Trustees also consider impacts on the capacity of the organisation itself.

In 2020 two strategic projects completed and reported their outcomes to us. In headline terms, the final grant reports show that funding from the J.A.Clark Charitable Trust contributed significantly to the following:

- An average 120% increase in yields of 1442 poor smallholder farmers in southern Tanzania, including 552 women, through greater and more timely access to inputs. This translates into an average increase in net profit of US\$103 per farmer enabling many to move out of poverty. The successful completion of this pilot project in Tanzania has provided MyAgro with the proof of concept needed to significantly expand their work in Tanzania so that they can reach 100,000 farmers by 2024. *MyAgro, Tanzania, £40,000.*
- Establish a working model of improving the mental health and wellbeing of young people through participation in creative activities, specifically music. Mind the Music involves training music tutors in mental health & music sessions with young people in CAMHS wards. Work continued throughout lockdowns, including in the CAMHS ward in Newham. The three year pilot was evaluated by the University of Essex and it is now part of the Social Prescribing & Mental Health Networks in Tower Hamlets & Newham. In addition, Community Music have received funding to roll the project out to Brighton, and Kensington & Chelsea. *Community Music, £60,000.*

Social Investment

JAC Trust made no social investments in 2020. The social loan made to Soul of Africa in 2016 was repaid in full in November 2020. There are currently no live social investments but we continue to be interested in this space and will consider investment opportunities that address the climate crisis.

Financial Review

The principal funding source of JAC Trust is from investment income of £159,571 (2019: £269,659). Total income was £164,871 (2019: £269,835), representing a decrease of 39% compared to 2019.

The Trustees launched their new funding programme in 2020. In 2019 we suspended grant-making for the year while undertaking a strategic review. Hence expenditure in 2020 was considerably higher than the previous year, £453,107 (2018: £126,416), representing 275% of income. Grants for charitable purposes were a net £306,140 (2018: £7476).

Reserves Policy

The funds are 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.

Unrestricted reserves at 31 December 2020 were £26,027.

JAC Trust

Report of the Trustees for the Year Ended 31 December 2020

The investments consist of a portfolio of quoted investments, land and property, and a shareholding in the private company C&J Clark Ltd ("CJC") which formed the original endowment in 1970.

The Trustees have been aware of the investment risk posed by the large holding in CJC for some time. As it is a private company the marketability of shares is strictly limited, but since 2018 the Trustees have made consistent use of the twice-yearly internal share market to disinvest. At the start of 2020 the Trust held 1,330,000 ordinary shares. CJC was badly impacted by the pandemic with shops being forced to stay closed during the lockdowns. To ensure the survival of the company and safeguard 9000 jobs worldwide, the shareholders voted in December 2020 to accept an equity investment by LionRock Capital, which completed in February 2021. In the absence of any formal share valuation, the Trustees considered that the terms of the LionRock investment are such that their ordinary shares were worth little or nothing on the balance sheet date, and so have valued them at a nominal £1.

JAC Trust's investment policies are intended to provide long-term stability and liquidity sufficient for the financing of charitable grants. In 2020 the Trustees adopted a Total Return approach, which means that both income and the underlying capital in the investment portfolio can be used to support our activities.

In December 2019 the Trustees appointed Rathbone Greenbank as the new investment managers. In 2020 the portfolio generated a total return of 13.3% which comfortably exceeded the target of 4% plus inflation and outperformed the benchmark MSCI PIMFA Growth Index.

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 moving from negative screening to full integration of ESG. This reflects the Trustees' commitment to using all of the assets to achieve our objectives and support the transition to a post-Carbon economy. We are proud to be a founder signatory to the Funder Commitment on Climate Change, which commits us to utilise JAC Trust's investments to support the transition to a post-Carbon future.

Principal Risks and Uncertainties

The Trustees have examined the major risks to which JAC 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 JAC Trust:

- *Volatile and uncertain income.* The pandemic has impacted economies around the world. Investors have so far been taking a longer-term, optimistic view, concentrating on the rollout of vaccines and supportive central bank and government policy. Global growth this year is currently forecast to rise by 5.2%. However, if the vaccination program rollout is slower than expected, or new variants arise and lock downs remain in place as virus cases remain high, uncertainties could cause greater market volatility. This risk is managed by regularly reviewing our investment policies and taking a total return rather than income only approach. Moreover, we will make no multi-year awards in 2021. Lastly, the grant-making budget is adjusted on an annual basis.
- *Partner delivery risk:* JAC 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.
- *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. 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 natural resource management in humanitarian settings has not been reduced by the coronavirus pandemic.

JAC Trust

Report of the Trustees for the Year Ended 31 December 2020

Future Plans

The Trustees will continue to implement the 2020 to 2030 Strategy. In 2021 the grant-making budget will increase to £500,000 and the Trustees will publish two calls for proposals on its website www.jaclarktrust.org one in March and one in July.

Towards the end of the year the Trustees will further refine the funding priorities and from 2022 onwards will make multi-year grants.

Audit

In 2019 the Trustees of the J.A. Clark Charitable Trust 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 a meeting of the JAC Trust Board held on 21 June 2020.

JAC Trust

Report of the Trustees
for the Year Ended 31 December 2020

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom accounting standards (the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the Trustees are required to:

1. Select suitable accounting policies and apply them consistently;
2. Make judgements and estimates that are reasonable and prudent;
3. Observe methods and principles in the Charities SORP 2015 (FRS 102);
4. State whether the financial statements comply with applicable accounting standards and the trust deed and rules, subject to any material departures disclosed and explained in the financial statements;
5. Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and 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.

Signature and Declaration

This report was approved by the Trustees on and signed on their behalf by:

.....
Odette Clark Campbell
Chair of the Trustees

**Report of the Independent Auditors to the Trustees of
JAC Trust**

Opinion

We have audited the financial statements of JAC Trust (the 'charity') for the year ended 31 December 2020 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 2020 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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 (Accounts and Reports) Regulations 2008 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
JAC Trust**

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Trust and sector, we identified that the principal risks of non-compliance with laws and regulations related to compliance with charity legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements of the Trust. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Statement of Recommended Practice (FRS102). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related potential lack of segregation of duties, bookkeeping errors and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the audit engagement team included:

- Enquiry of management and those charged with governance about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding of management's internal controls designed to prevent and detect irregularities, and fraud;
- Reviewing minutes of meetings of those charged with governance and any correspondence with The CharityCommission;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing analytical procedures to identify any unusual or unexpected relationship that might indicate a risk of material misstatement due to fraud;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees of
JAC Trust**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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

Date:

JAC Trust

**Statement of Financial Activities
for the Year Ended 31 December 2020**

	Notes	Unrestricted funds £	Endowment funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	5,200	-	5,200	-
Investment income	3	159,571	-	159,571	269,659
Other income	4	100	-	100	176
Total		164,871	-	164,871	269,835
EXPENDITURE ON					
Raising funds	5	16,461	46,594	63,055	58,214
Charitable activities	6				
Family Fund		77,034	-	77,034	68,202
Climate Change and Forced Displacement		313,018	-	313,018	-
Total		406,513	46,594	453,107	126,416
Net gains/(losses) on investments		-	(2,816,286)	(2,816,286)	(2,407,005)
NET INCOME/(EXPENDITURE)		(241,642)	(2,862,880)	(3,104,522)	(2,263,586)
Transfers between funds	21	(96,694)	96,694	-	-
Other recognised gains/(losses)					
Gains on revaluation of fixed assets		-	18,564	18,564	2,154
Net movement in funds		(338,336)	(2,747,622)	(3,085,958)	(2,261,432)
RECONCILIATION OF FUNDS					
Total funds brought forward		364,363	12,938,991	13,303,354	15,564,786
TOTAL FUNDS CARRIED FORWARD		<u>26,027</u>	<u>10,191,369</u>	<u>10,217,396</u>	<u>13,303,354</u>

The notes form part of these financial statements

JAC Trust

Balance Sheet
31 December 2020

	Notes	Unrestricted funds £	Endowment funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	13	-	216,500	216,500	197,936
Investments					
Investments	14	1,327	8,809,869	8,811,196	11,601,211
Investment property	15	-	1,165,000	1,165,000	1,139,844
Social investments	16	-	-	-	14,400
		1,327	10,191,369	10,192,696	12,953,391
CURRENT ASSETS					
Debtors	17	838	-	838	1,474
Investments	18	-	-	-	15,200
Cash at bank		78,591	-	78,591	477,136
		79,429	-	79,429	493,810
CREDITORS					
Amounts falling due within one year	19	(54,729)	-	(54,729)	(118,679)
NET CURRENT ASSETS		24,700	-	24,700	375,131
TOTAL ASSETS LESS CURRENT LIABILITIES		26,027	10,191,369	10,217,396	13,328,522
CREDITORS					
Amounts falling due after more than one year	20	-	-	-	(25,168)
NET ASSETS		26,027	10,191,369	10,217,396	13,303,354
FUNDS	21				
Unrestricted funds				26,027	364,363
Endowment funds:					
Expendable endowment				10,169,421	12,936,837
Tangible fixed asset revaluation reserve				21,948	2,154
				10,191,369	12,938,991
TOTAL FUNDS				10,217,396	13,303,354

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

.....
O Clark Campbell - Trustee

JAC Trust

Cash Flow Statement
for the Year Ended 31 December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	24	<u>(441,531)</u>	<u>(161,544)</u>
Net cash used in operating activities		<u>(441,531)</u>	<u>(161,544)</u>
Cash flows from investing activities			
Purchase of fixed asset investments		(4,534,308)	(859,642)
Sale of fixed asset investments		4,482,881	1,012,455
Other recognised gains and losses		(18,564)	(2,154)
Interest received		1,835	1,809
Dividends received		127,828	243,126
Property income		<u>29,908</u>	<u>24,724</u>
Net cash provided by investing activities		<u>89,580</u>	<u>420,318</u>
Cash flows from financing activities			
Expenditure attributable to endowment		<u>(46,594)</u>	<u>(45,413)</u>
Net cash used in financing activities		<u>(46,594)</u>	<u>(45,413)</u>
<hr/>			
Change in cash and cash equivalents in the reporting period		(398,545)	213,361
Cash and cash equivalents at the beginning of the reporting period		<u>477,136</u>	<u>263,775</u>
Cash and cash equivalents at the end of the reporting period		<u><u>78,591</u></u>	<u><u>477,136</u></u>

The notes form part of these financial statements

JAC Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

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 other than the impairment of the C & J Clark Ltd ordinary shares as disclosed in note 14.

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.

The allocation of support costs to governance is set out in note 8.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

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 13.

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.

JAC Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

1. ACCOUNTING POLICIES - continued

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.

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

	2020	2019
	£	£
Donations	<u>5,200</u>	<u>-</u>

3. INVESTMENT INCOME

	2020	2019
	£	£
Property income	29,908	24,724
Listed investment portfolio	127,828	202,026
Unlisted investment portfolio	-	41,100
Deposit account interest	1,295	1,809
Soul of Africa loan interest	<u>540</u>	<u>-</u>
	<u>159,571</u>	<u>269,659</u>

JAC Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

4. OTHER INCOME

	2020	2019
	£	£
Exchange rate gains	-	176
Compensation	<u>100</u>	<u>-</u>
	<u>100</u>	<u>176</u>

5. RAISING FUNDS

Raising donations and legacies

	2020	2019
	£	£
Rental expenses	<u>16,461</u>	<u>12,801</u>

Investment management costs

	2020	2019
	£	£
Investment management	<u>46,594</u>	<u>45,413</u>

Aggregate amounts

	<u>63,055</u>	<u>58,214</u>
--	---------------	---------------

6. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 7)	Support costs (see note 8)	Totals
	£	£	£
Family Fund	33,400	43,634	77,034
Climate Change and Forced Displacement	<u>272,740</u>	<u>40,278</u>	<u>313,018</u>
	<u>306,140</u>	<u>83,912</u>	<u>390,052</u>

7. GRANTS PAYABLE

	2020	2019
	£	£
Family Fund	33,400	7,476
Climate Change and Forced Displacement	<u>272,740</u>	<u>-</u>
	<u>306,140</u>	<u>7,476</u>

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

	2020	2019
	£	£
Eucalyptus Charitable Foundation	-	7,946
Asia Foundation	-	(470)
Brave Hearts Orphanage	27,981	-
Five Talents	25,000	-
Ashden Sustainable	25,000	-
California Clean Energy Fund	25,000	-
Small Steps	25,000	-
Send a Cow	25,000	-
Rural Women's Centre	25,000	-
AMOR	24,987	-
Lotus Flower Trust	22,800	-
Cord Global	20,000	-
Thousand Currents	15,000	-
Ideas Partnership	14,972	-

JAC Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

7. GRANTS PAYABLE - continued

Under £3,000 or less	30,400	-
	306,140	7,476

Reconciliation of grants

	£
Grants committed for the year	306,140
Grants paid during the year	(390,193)
Commitments at 1 January 2020	116,202
Commitments at 31 December 2020	32,149

Commitments at 31 December 2020 are payable as follows:

Within one year	32,149
After more than one year	-
	32,149

8. SUPPORT COSTS

	Other £	Governance costs £	Totals £
Family Fund	26,766	16,868	43,634
Climate Change and Forced Displacement	24,707	15,571	40,278
	51,473	32,439	83,912

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 £	2020 £	2019 £
Staff costs	31,748	-	31,748	19,315
Administration	10,883	2,721	13,604	12,810
Meetings, travel and office	661	2,642	3,303	11,414
Website marketing	4,820	-	4,820	948
AFC membership and seminars	1,380	-	1,380	1,330
Accountancy	-	84	84	9,914
Audit	-	4,032	4,032	3,840
Legal	-	22,776	22,776	714
Bank charges and FX adjustments	1,981	184	2,165	441
	51,473	32,439	83,912	60,726

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.

JAC Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

9. AUDITORS' REMUNERATION

	2020	2019
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>4,032</u>	<u>3,840</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 (2019: £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). These expenses totalled £189 (2019: £1,979).

11. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	27,056	15,565
Other pension costs	<u>4,692</u>	<u>3,750</u>
	<u>31,748</u>	<u>19,315</u>

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

	2020	2019
Charitable activities	<u>1</u>	<u>1</u>

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	2019 Unrestricted funds £	2019 Endowment funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM			
Investment income	269,659	-	269,659
Other income	<u>176</u>	<u>-</u>	<u>176</u>
Total	269,835	-	269,835
EXPENDITURE ON			
Raising funds	12,801	45,413	58,214
Charitable activities			
Family Fund	<u>68,202</u>	<u>-</u>	<u>68,202</u>
Total	81,003	45,413	126,416
Net gains/(losses) on investments	<u>-</u>	<u>(2,407,005)</u>	<u>(2,407,005)</u>
NET INCOME/(EXPENDITURE)	188,832	(2,452,418)	(2,263,586)
Transfers between funds	<u>107,399</u>	<u>(107,399)</u>	<u>-</u>

JAC Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Endowment funds £	Total funds £
Other recognised gains/(losses)			
Gains on revaluation of fixed assets	-	2,154	2,154
Net movement in funds	296,231	(2,557,663)	(2,261,432)
RECONCILIATION OF FUNDS			
Total funds brought forward	68,132	15,496,654	15,564,786
TOTAL FUNDS CARRIED FORWARD	<u>364,363</u>	<u>12,938,991</u>	<u>13,303,354</u>

13. TANGIBLE FIXED ASSETS

	Freehold property £
COST OR VALUATION	
At 1 January 2020	197,936
Revaluations	<u>18,564</u>
At 31 December 2020	<u>216,500</u>
NET BOOK VALUE	
At 31 December 2020	<u>216,500</u>
At 31 December 2019	<u>197,936</u>

On 27 November 2018, the JA Clark 1960 Settlement transferred ownership of 34 Pine Close BA16 0RS to the charity. The Trustees have initially decided that the property would 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 2020 using the Land Registry House Price Index.

14. FIXED ASSET INVESTMENTS

	Investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1 January 2020	11,542,264	58,947	11,601,211
Additions	4,431,487	102,821	4,534,308
Disposals	(4,482,881)	-	(4,482,881)
Revaluations	<u>(2,841,442)</u>	<u>-</u>	<u>(2,841,442)</u>
At 31 December 2020	<u>8,649,428</u>	<u>161,768</u>	<u>8,811,196</u>
NET BOOK VALUE			
At 31 December 2020	<u>8,649,428</u>	<u>161,768</u>	<u>8,811,196</u>
At 31 December 2019	<u>11,542,264</u>	<u>58,947</u>	<u>11,601,211</u>

JAC Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

14. FIXED ASSET INVESTMENTS - continued

	£
Listed shares and securities	8,649,427
Unlisted shares	1
Cash held as part of the investment portfolio	<u>160,441</u>
	<u>8,809,869</u>
	£
Investment assets in the UK	3,951,791
Investment assets outside the UK	<u>4,858,078</u>
	<u>8,809,869</u>

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. The change in market value is represented by a £949,057 increase in the value of listed investments and a £3,790,499 decrease in value of unlisted investments.

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.

In 2019, the following holding represented more than 5% of the market value of the combined portfolios and was therefore classed as a material interest of the trust.

C & J Clark Ltd £1 ordinary shares

	£
Valuation at 1 January 2020	3,790,500
Revaluation	<u>(3,790,499)</u>
Valuation at 31 December 2020	<u>1</u>

At 31 December 2020 the trustees held 1,330,000 £1 ordinary shares. These shares were last valued by PriceWaterhouseCoopers in September 2019 at a price of £2.85 per share, and it was at this value they had been used for the purposes of the 2019 accounts. However, no professional valuation of the £1 ordinary shares in C&J Clark Ltd has been circulated to shareholders since then. The company incurred losses during 2020 from the impact of the Covid-19 pandemic, and a refinancing with £100 million of new preference shares completed in January 2021. The Trustees consider that the refinancing has removed all value from their 1,330,000 ordinary shares, apart from an unquantifiable hope value based on a return to profitability over and above that due to the preference shareholders. On this basis they have valued their shares on the Balance Sheet date at a nominal £1 in total.

15. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2020	1,139,844
Revaluation	<u>25,156</u>
At 31 December 2020	<u>1,165,000</u>
NET BOOK VALUE	
At 31 December 2020	<u>1,165,000</u>
At 31 December 2019	<u>1,139,844</u>

JAC Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

15. INVESTMENT PROPERTY - continued

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, using the average percentage change in value for existing properties for the year to December 2020, which was 9.4% (2019: 1.1%). The land and buildings represented by the farmland was professionally valued at £1,165,000 as at 31 December 2020 by Cooper and Tanner.

Reconciliation of investment property valuation

	£
Carrying value at 1 January 2020	1,139,844
Revaluation	<u>34,150</u>
Carrying value at 31 December 2020	<u><u>1,173,994</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 was repaid in tranches, with the final tranche along with interest of 1% of the loan principal, repaid in 2020. £29,600 was repaid and £540 of interest was received this year.

	2020 £	2019 £
Loan for repayment - due within 1 year (see note 18)	-	15,200
Loan for repayment - not due within 1 year	<u>-</u>	<u>14,400</u>
Total due for repayment	<u><u>-</u></u>	<u><u>29,600</u></u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Prepayments and accrued income	<u>838</u>	<u>1,474</u>

18. CURRENT ASSET INVESTMENTS

	2020 £	2019 £
Loan to Soul of Africa UK Ltd	<u>-</u>	<u>15,200</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Grants payable	32,149	91,034
Accruals and deferred income	<u>22,580</u>	<u>27,645</u>
	<u><u>54,729</u></u>	<u><u>118,679</u></u>

JAC Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Grants payable	<u>-</u>	<u>25,168</u>

21. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	364,363	(241,642)	(96,694)	26,027
Endowment funds				
Expendable endowment	12,936,837	(2,864,110)	96,694	10,169,421
Tangible fixed asset revaluation reserve	<u>2,154</u>	<u>19,794</u>	-	<u>21,948</u>
	<u>12,938,991</u>	<u>(2,844,316)</u>	<u>96,694</u>	<u>10,191,369</u>
TOTAL FUNDS	<u>13,303,354</u>	<u>(3,085,958)</u>	<u>-</u>	<u>10,217,396</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	164,871	(406,513)	-	(241,642)
Endowment funds				
Expendable endowment	-	(46,594)	(2,817,516)	(2,864,110)
Tangible fixed asset revaluation reserve	<u>-</u>	<u>-</u>	<u>19,794</u>	<u>19,794</u>
	<u>-</u>	<u>(46,594)</u>	<u>(2,797,722)</u>	<u>(2,844,316)</u>
TOTAL FUNDS	<u>164,871</u>	<u>(453,107)</u>	<u>(2,797,722)</u>	<u>(3,085,958)</u>

Comparatives for movement in funds

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

JAC Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

21. MOVEMENT IN FUNDS - continued

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

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

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

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	68,132	(52,810)	10,705	26,027
Endowment funds				
Expendable endowment	15,496,654	(5,316,528)	(10,705)	10,169,421
Tangible fixed asset revaluation reserve	-	21,948	-	21,948
	<u>15,496,654</u>	<u>(5,294,580)</u>	<u>(10,705)</u>	<u>10,191,369</u>
TOTAL FUNDS	<u>15,564,786</u>	<u>(5,347,390)</u>	<u>-</u>	<u>10,217,396</u>

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 £
Unrestricted funds				
General fund	434,706	(487,516)	-	(52,810)
Endowment funds				
Expendable endowment	-	(92,007)	(5,224,521)	(5,316,528)
Tangible fixed asset revaluation reserve	-	-	21,948	21,948
	-	(92,007)	(5,202,573)	(5,294,580)
TOTAL FUNDS	<u>434,706</u>	<u>(579,523)</u>	<u>(5,202,573)</u>	<u>(5,347,390)</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.

JAC Trust

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

22. RELATED PARTY DISCLOSURES

Note 7 shows that donations of £nil (2019: £7,476) 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. This agreement was stopped during the year.

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 received from trustees and other related parties to the JA Clark Charitable Trust without attached conditions totalled £4,900 in 2020 (2019: £nil).

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

23. ULTIMATE CONTROLLING PARTY

The charity is controlled jointly by the trustees.

24. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(3,104,522)	(2,263,586)
Adjustments for:		
Losses on investments	2,816,286	2,407,005
Interest received	(1,835)	(1,809)
Dividends received	(127,828)	(243,126)
Expenditure attributable to endowment	46,594	45,413
Property income	(29,908)	(24,724)
Loan to Soul of Africa UK Ltd	29,600	10,800
Gain on revaluation of fixed assets	18,564	2,154
Decrease in debtors	636	273
Decrease in creditors	<u>(89,118)</u>	<u>(93,944)</u>
Net cash used in operations	<u>(441,531)</u>	<u>(161,544)</u>

25.. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank	<u>477,136</u>	<u>(398,545)</u>	<u>78,591</u>
	<u>477,136</u>	<u>(398,545)</u>	<u>78,591</u>
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	<u>15,200</u>	<u>(15,200)</u>	<u>-</u>
	<u>15,200</u>	<u>(15,200)</u>	<u>-</u>
Total	<u>492,336</u>	<u>(413,745)</u>	<u>78,591</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

26. 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 was revalued based on semi-annual valuations of the shared by PricewaterhouseCoopers, Chartered Accountants. The valuation incorporated in the accounts at 31 December 2019 was prepared in September 2019, the valuation closest to the balance sheet date. As explained in note 14, the trustees consider that the refinancing in January 2021 has removed all value from their ordinary shares apart from an unquantifiable hope value based on a return to profitability over and above that due to preference shareholders.

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

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

27. MERGER ACCOUNTING

JAC Trust was incorporated on 18 May 2020 in order that the J A Clark Charitable Trust (charity 1010520), could change its legal structure (see Note 21). Although JAC Trust commenced operations on 1 July 2020, the principles of merger accounting have been applied and the results of the combining charities for the whole year in which the merger occurred have been combined as if they were always one entity. The comparative column is for the old unincorporated charitable Trust and is for memorandum purposes only.

JAC Trust

Detailed Statement of Financial Activities
for the Year Ended 31 December 2020

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	5,200	-
Investment income		
Property income	29,908	24,724
Listed investment portfolio	127,828	202,026
Unlisted investment portfolio	-	41,100
Deposit account interest	1,295	1,809
Soul of Africa loan interest	<u>540</u>	<u>-</u>
	159,571	269,659
Other income		
Exchange rate gains	-	176
Compensation	<u>100</u>	<u>-</u>
	<u>100</u>	<u>176</u>
Total incoming resources	164,871	269,835
EXPENDITURE		
Raising donations and legacies		
Rental expenses	16,461	12,801
Investment management costs		
Investment management	46,594	45,413
Charitable activities		
Grants to institutions	306,140	7,476
Support costs		
Other		
Wages	27,056	15,565
Pensions	4,692	3,750
Administration	10,883	10,248
Meetings, travel and office	2,642	3,158
Website marketing	4,820	948
ACF membership & seminars	<u>1,380</u>	<u>1,330</u>
	51,473	34,999
Governance costs		
Auditors' remuneration	4,032	3,840
Administration	2,721	2,562
Meetings, travel and office	661	8,256
Legal	22,776	714
Accountancy	84	9,914
Bank charges	<u>2,165</u>	<u>441</u>
	<u>32,439</u>	<u>25,727</u>
Total resources expended	<u>453,107</u>	<u>126,416</u>
Net (expenditure)/income before gains and losses	(288,236)	143,419

This page does not form part of the statutory financial statements

JAC Trust

Detailed Statement of Financial Activities
for the Year Ended 31 December 2020

	2020	2019
	£	£
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	(2,841,442)	(2,410,970)
Realised gains/(losses) on investment property	<u>25,156</u>	<u>3,965</u>
Net expenditure	<u>(3,104,522)</u>	<u>(2,263,586)</u>