

THE GENERATION TRUST

Report and Accounts

5 April 2023

Charity registration number
502885

**The Generation Trust
Report and accounts
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The Generation Trust
Trust information

Trustees	Reverend D F Mayhew Mr R J B Marjoribanks Reverend R F Skinner Miss M Simpson Mr T K Young Mr M Rustad Dr M M Rustad
Secretary	Reverend R F Skinner
Charity number	502885
Principal office	6 St Lawrence Avenue Bidborough Tunbridge Wells Kent TN4 0XB
Accountant	Kinnair and Company Limited Aston House Redburn Road Newcastle Upon Tyne NE5 1NB

The Generation Trust Trustees' report

Introduction

The trustees of The Generation Trust present their report and accounts for the year ended 5 April 2023.

Objectives and principal activity

The charity's objects are the advancement of the Christian religion and the relief of poverty, sickness and suffering.

Public benefit

The charity is a grant making body and distributes all of its income and much of the reserves annually to charitable organisations working in the UK and overseas.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission for England and Wales.

Grant making policies

The trustees meet annually to discuss grants and to receive proposals from fellow trustees. The relative merits of each proposal are discussed in depth and agreement reached on the proposals to support, decline or refer.

Achievements and performance

The trustees made grants of £53,500 during the year. Cash was available to support grant making while adhering to the reserve policy mentioned below.

A property with a valuation of £170,000 was donated to the charity.

Financial review

During the year the charity's rental income increased by £3,420 to £27,326. During the year £182,500 in donations were received, £170,000 of this was the donation of a property to the charity to make available for rental income in the future.

During the year, the charity's total expenditure increased by £47,924 to £61,876. This was mainly due to grants made of £53,500, countered by a decrease in property repair costs (£6,200) and a decrease in property related legal fees (£735).

The total of the charity's funds at 5 April 2023 was £534,120

Reserves policy: The charity has set a cash reserves amount of £10,000 to cover repairs on the properties.

Plans for future periods

The annual income of the trust is expected to continue at this level until a property is sold. This should support annual grant making.

The Trustees continue to review the state of the student letting market in Newcastle and, in the medium term, may look to sell the properties thereby releasing funds for further grant making.

The Generation Trust Trustees' report

Structure, governance and management

Nature of governing document

The charity is controlled by its governing document, a deed of trust, and is constituted as an unincorporated charity. The charity was formed on 26th October 1973 under a declaration of trust. Charitable status was obtained on 21st January 1974.

Recruitment and appointment of trustees

Trustees are appointed for an indefinite term and it is rare that new trustees are appointed. The trust deed provides that new trustees be appointed when the number of trustees falls below five.

Induction and training of trustees

It is the policy of the charity to provide new trustees with a copy of the latest annual report and accounts and to meet to discuss the grant making process.

Major risks and management of those risks

Fraud and error

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure that appropriate controls are in place to provide a reasonable assurance against fraud and error.

The investment properties are managed by a property management agency. Bank balances are held at two deposit takers and instructions require approval by two signatories.

Reference and administrative details

The Generation Trust (the trust, the charity) is a registered charity (registration number 502885).

The charity is administered by a board of trustees who meet together on a regular basis. The trustees appoint a chair annually. The trustees have also nominated one trustee as the secretary and one as the treasurer.

The registered office of the Charity and details of its principle advisors are shown on page 1.

The Generation Trust Trustees' report

Statement of trustees' responsibilities

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

The law applicable to charities requires the trustees to prepare the 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 of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities 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, and
- 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 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

Approval

This report was approved by the Trust on 30/01/24 and signed on its behalf by:



Mr T K Young
Trustee and treasurer

**The Generation Trust
Independent Examiner's Report**

Independent examiner's report to the Trustees of The Generation Trust

I report on the accounts of the Trust for the year ended 5 April 2023, which are set out on pages 6 to 14.

Respective responsibilities of the Trust and the examiner

As members of the Trust you are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 ('the 2011 Act') and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commissioner (under section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of this independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commissioner. That examination includes a review of the accounting records kept by the Trust and a comparison of the accounts presented with those records. It also includes considering any unusual items or disclosures in the accounts and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently, no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

Since the gross income for the year exceeds the amount provided in section 145(3) of the Act, I confirm that I am qualified to act as Independent Examiner under the provisions of that section of the Act and that my qualification is as shown below.

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect the requirements (a) to keep accounting records in accordance with section 130 of the 2011 Act; and (b) to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mai L C Mak BSc. Hons. FCA
Chartered Accountant

Kinnair and Company Limited
Chartered Accountants
Aston House
Newcastle Upon Tyne

30/01/24
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The Generation Trust
Statement of Financial Activities
for the year ended 5 April 2023

	Notes	Unrestricted funds £	Total funds 2023 £	Total funds 2022 £
Income				
Voluntary income	2	182,500	182,500	-
Other income	3	27,326	27,326	23,906
Total income		<u>209,826</u>	<u>209,826</u>	<u>23,906</u>
Expenditure				
- Raising funds	4	6,314	6,314	11,924
- Charitable activities	5	55,562	55,562	2,028
Total expenditure		<u>61,876</u>	<u>61,876</u>	<u>13,952</u>
Net income before investment gains		147,950	147,950	9,954
Net movement in funds		<u>147,950</u>	<u>147,950</u>	<u>9,954</u>
Total funds brought forward		386,170	386,170	376,216
Total funds carried forward		<u>534,120</u>	<u>534,120</u>	<u>386,170</u>

The Trust has no recognised gains or losses other than those shown in the Statement of Financial Activities. All of the activities of the Trust are classed as continuing.

All of the activities for both periods are unrestricted.

**The Generation Trust
Balance Sheet
as at 5 April 2023**

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	8	519,414	347,879
Current assets			
Debtors	9	2,915	315
Cash at bank and in hand		12,619	38,354
		<u>15,534</u>	<u>38,669</u>
Creditors: amounts falling due within one year	10	(828)	(378)
Net current assets		<u>14,706</u>	<u>38,291</u>
Net assets		<u>534,120</u>	<u>386,170</u>
Funds			
<i>Unrestricted funds:</i>			
- General Fund		<u>534,120</u>	<u>386,170</u>
		<u>534,120</u>	<u>386,170</u>
Total Trust funds		<u>534,120</u>	<u>386,170</u>

These accounts were approved by the Trustees on 30/01/23 and signed on its behalf by:



Mr T K Young
Trustee and treasurer

**The Generation Trust
Cash Flow Statement
for the year ended 5 April 2023**

	Notes	2023 £	2022 £
Cashflows from operating activities			
Net cash (outflow)/inflow from operating activities	11	(25,735)	8,924
Change in cash and cash equivalents in the reporting period		<u>(25,735)</u>	<u>8,924</u>
Cash and cash equivalents at 6 April 2022		38,354	29,430
Cash and cash equivalents at 5 April 2023		<u>12,619</u>	<u>38,354</u>

**The Generation Trust
Notes to the Accounts
for the year ended 5 April 2023**

1 Accounting policies

Basis of preparation

The financial statements of the charity have been prepared in accordance with 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 (FRS102) (Charities SORP (FRS102)) and the Charities Act 2011.

The Generation Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going concern

The trustees assess whether the use of going concern is appropriate ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of authorisation of issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in the preparation of the financial statements.

A summary of the principal accounting policies, which have been consistently applied, is set out below.

Income

Voluntary income is recognised in the financial statements when it is received, or on an accruals basis where it can be assured with reasonable certainty and is receivable by the balance sheet date. Income tax recoverable on voluntary donations is recognised in the financial statements when it is receivable from HM Revenue and Customs.

All other incoming resources are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and receivable by the balance sheet date.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to the expenditure, it is probable that settlement is required and the amount can be measured reliably. All costs are allocated to the applicable heading that aggregate similar costs to that category. Where costs cannot be directly attributed to the particular headings they have been allocated on a basis consistent with the use of the resource.

All resources expended is inclusive of irrecoverable VAT.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

The Generation Trust
Notes to the Accounts
for the year ended 5 April 2023

Grant provisions

Provisions for grants are made when the intention to make the grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustee' meetings and reimbursed expenses.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Investment properties

Investment property is held at fair value, derived from the current market prices for comparable real estates, adjusted if necessary for any differences in the nature, location or condition of the specific asset. Changes in fair value are recognised in the SOFA.

Trade debtors

Trade debtors are amounts due for services performed in the ordinary course of business.

Trade debtors are initially recognised at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment is established when there is objective evidence that charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade Creditors

Trade creditors are amounts owing for services rendered and are recognised at the initial invoice value.

Taxation

The Charity is exempt from Income Tax on its charitable activities but is not exempt from Value Added Tax. Irrecoverable VAT is included in the cost of those items to which it relates.

Fund accounting

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

**The Generation Trust
Notes to the Accounts
for the year ended 5 April 2023**

2 Income: Donations

	2023 Unrestricted £	2023 Total £	2022 Total £
Donation of property	170,000	170,000	-
Gift aid	12,500	12,500	-
	<u>182,500</u>	<u>182,500</u>	<u>-</u>

3 Income: Other

	2023 Unrestricted £	2023 Total £	2022 Total £
Rental income	27,326	27,326	23,906
	<u>27,326</u>	<u>27,326</u>	<u>23,906</u>

4 Expenditure on raising funds

	2023 Unrestricted £	2023 Total £	2022 Total £
Cost of rent collection	2,733	2,733	2,361
Insurance	447	447	228
Property repairs	3,134	3,134	9,335
	<u>6,314</u>	<u>6,314</u>	<u>11,924</u>

5 Expenditure on charitable activities

	2023 Unrestricted £	2023 Total £	2022 Total £
Trustees' expenses	108	108	-
Legal and professional fees	1,126	1,126	1,650
Governance costs	828	828	378
Donations	53,500	53,500	-
	<u>55,562</u>	<u>55,562</u>	<u>2,028</u>

6 Resources expended: Governance costs

	2023 £	2022 £
Accountancy fees	828	378
	<u>828</u>	<u>378</u>

The Generation Trust
Notes to the Accounts
for the year ended 5 April 2023

7 Grant making	2023	2022
	£	£
Grants approved	53,500	-
	<u>53,500</u>	<u>-</u>

Below are details of the material grants made to institutions by the charity.

Name of Institution	Activity	2023	2022
		£	£
AID South Sudan	Making of Charitable grants	5,000	
Arab World Ministries	Making of Charitable grants	2,000	
Artizan International (prev. Craft	Making of Charitable grants	4,500	
Christian Books Worldwide	Making of Charitable grants	1,000	
Coffee Tots (Three Spires)	Making of Charitable grants	3,000	
Elswick Parish Church	Making of Charitable grants	2,000	
Global Care	Making of Charitable grants	5,000	
Hellimission	Making of Charitable grants	1,000	
In2Out	Making of Charitable grants	3,000	
Junction 42 Foundation	Making of Charitable grants	1,000	
Lert Sa Wat	Making of Charitable grants	1,500	
Love Burundi	Making of Charitable grants	1,000	
MAF	Making of Charitable grants	1,000	
Mandritsara Hospital	Making of Charitable grants	6,000	
Message Trust	Making of Charitable grants	4,000	
Navajeevana	Making of Charitable grants	2,000	
New Beginnings Charitable F'n	Making of Charitable grants	1,500	
Safe Families for Children	Making of Charitable grants	1,000	
Scottish Bible Society	Making of Charitable grants	1,000	
Scripture Union	Making of Charitable grants	2,000	
Scripture Union (Scotland)	Making of Charitable grants	2,000	
UCCF	Making of Charitable grants	2,000	
Wheel Trust. Partick Schools, Glz	Making of Charitable grants	1,000	
		<u>53,500</u>	<u>-</u>

The Generation Trust
Notes to the Accounts
for the year ended 5 April 2023

8 Tangible fixed assets

	Freehold land and buildings £
Cost	
At 6 April 2022	347,879
Additions	171,535
At 5 April 2023	<u>519,414</u>
Depreciation	
At 6 April 2022	-
At 5 April 2023	<u>-</u>
Net book value	
At 5 April 2023	<u>519,414</u>
At 5 April 2022	<u>347,879</u>
 Historical cost of investment properties	 <u>542,445</u>

9 Debtors

	2023 £	2022 £
Other debtors	<u>2,915</u>	<u>315</u>

10 Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	<u>828</u>	<u>378</u>

11 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023 £	2022 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	147,950	9,954
Non cash donation	(171,535)	-
Revaluation of property	-	(769)
(Increase) / decrease in debtors	(2,600)	(200)
(Decrease) / increase in creditors	450	(61)
Net cash (used in) / provided by operating activities	<u>(25,735)</u>	<u>8,924</u>

**The Generation Trust
Notes to the Accounts
for the year ended 5 April 2023**

12 Trustees' remuneration, expenses and donations

During the year:

No Trustees received any remuneration (2022: £NIL).

£87 of travel expenses were reimbursed to two Trustees and £21 of cost of refreshments to one Trustee.

Mr M Rustad donated a property valued at £170,000 to the Trust. He also donated £10,000 to the Trust and £2,500 gift aid tax was reclaimed on it.

Yetholm Properties received remuneration of £2,733 (2022: £2,361).

The properties are managed by Yetholm Properties, a company controlled by Mr Rustad and his family. The commission has been negotiated at a discounted rate.

Permitted by the Trust Deed of 26th October 1973