

Report of the Trustees and
Financial Statements
for the Year Ended 31 December 2021
for
Brownsword Charitable Foundation

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

Brownsword Charitable Foundation

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for the Year Ended 31 December 2021

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Brownsword Charitable Foundation

Report of the Trustees **for the Year Ended 31 December 2021**

The trustees present their report with the financial statements of the charity for the year ended 31 December 2021. 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

Objectives

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidelines on public benefit.

The objects of the Charity are to make donations to such charitable institution or institutions at such time or times and in such a manner that the Trustees may in their absolute discretion think fit.

The Board of Trustees reaffirmed at a meeting on 23 November 2021 that for forthcoming years the broad priority areas would be:

- Children and Young People
- The Arts
- The Elderly
- Community and Neighbourhood Work
- Physical and Learning Difficulties
- Educational Projects
- Medical Projects

It is anticipated that the majority of donations will be restricted to the Bath area although the Trustees will also be looking to undertake specific large national donations in coming years..

The trustees are aware of the public benefit provisions of the Charities Act 2011 and of the guidance on them published by the Charity Commission. They are satisfied that the objects of the Charity and the activities of the Charity are within the definitions of Charitable Purposes as set down in the Act. The trustees are not aware of any public detriment caused by the Charity's objects or activities, and nor are they aware of anyone receiving any private benefit from the Charity's activities.

The Foundation makes grants solely to other charities, each of which will make an appropriate statement as to how they achieve their aims for public benefit. Interested parties may wish to consult the Trustees' Reports of those organisations independently for further details.

As expected, the Foundation has made similar amounts in grants in 2021 compared to 2020. It is anticipated that major new grants will be somewhat restricted due to depletion of available funds. The Foundation's planned grants include to a local arts festival, a homeless charity and a local childrens hospice.

FINANCIAL REVIEW

Review of transactions and financial position

During the year, the charity received income of £234,839 (2020: £250,568), mainly consisting of interest of £384 (2020: £10,020) and rent receivable of £234,455 (2020: £240,548). The trustees considered a number of grant applications during the year and donations were made to seven charities.

Investment policy and reserves

The policy of Trustees is to retain reserves in cash. All cash reserves are held in an interest bearing account. At 31 December 2021 the total free reserves held by the charity were £73,650. The trustees can at their discretion, draw on the free reserves of the expendable endowment fund which at 31 December 2021 had current reserves of £3,833,807.

The Trustees purchased No 1A Royal Crescent for a sum of £1,050,000 on 31 October 2006. Planning permission was granted 24 March 2011. Work commenced on 9 January 2012 and Practical Completion was issued on 19 November 2013. A lease at a peppercorn rent to the Bath Preservation Trust commenced on 3 December 2012. The Museum was officially re-opened on 21 June 2013.

On 23 June 2011 Andrew Brownsword donated three freehold properties (but with four distinct tenants) to the Foundation. These are accounted as long term commercial property investments with long standing tenants.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity's objects and provisions are regulated by a trust deed dated 11 June 1992. The charity's registered charity number is 1012615.

Brownsword Charitable Foundation

Report of the Trustees **for the Year Ended 31 December 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisation of the charity

The trustees have met whenever they needed to review applications for grants. Decisions are made when the trustees have reached a unanimous agreement. The charity is administered in Bath by Nicholas Burrows, under the supervision of the trustees.

Recruitment and training of new trustees

Should a need arise to appoint new or additional trustees, consideration will be given to the experience and credibility of the candidate.

New trustees will be given every opportunity to spend time with other officers of the Foundation and will be inducted on the procedures and practices accordingly. Specific training will be tailored to the individual's needs and requirements.

Risk management

The Trustees have reviewed the charity's activities and assessed the opportunities available to the charity and the risks to which it is exposed. As a result of this process, the trustees have a risk management strategy which comprises of an annual review of the risk which the charity may face; the establishment of procedures to mitigate those risks identified during the annual risk review; and the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1012615

Principal address

4 Queen Square

Bath

BA1 2HA

Trustees

Mr A D Brownsword

Mr R F Calleja

Mr P Matthews

Ms A Brownsword-Matthews

Auditors

Monahans

Statutory Auditor

Chartered Accountants

Fortescue House

Court Street

Trowbridge

Wiltshire

BA14 8FA

Banking

The charity holds current and investment accounts with the National Westminster Bank. The branch address is PO Box 4349, Worthing, BN11 3EQ.

APPOINTMENT OF AUDITORS

A resolution to reappoint Monahans as auditors will be proposed at the Annual General Meeting.

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).

Brownsword Charitable Foundation

Report of the Trustees
for the Year Ended 31 December 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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;
- 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 5 September 2022 and signed on its behalf by:



Mr A D Brownsword - Trustee

Report of the Independent Auditors to the Trustees of
Brownsword Charitable Foundation

Opinion

We have audited the financial statements of Brownsword Charitable Foundation (the 'charity') for the year ended 31 December 2021 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 2021 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
Brownsword Charitable Foundation

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.

Based on our understanding of the charity and sector, we identified that the principal risks of non-compliance with laws and regulations related to charity legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements of the charity. 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.

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 to 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;
- Reviewing minutes of meetings of those charged with governance and any correspondence with The Charity Commission;
- 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.

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.

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.



Monahans
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Wiltshire
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Date: 27/09/22

Brownsword Charitable Foundation

Statement of Financial Activities
for the Year Ended 31 December 2021

		Unrestricted fund	Endowment fund	2021 Total funds	2020 Total funds as restated
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Investment income	2	234,839	-	234,839	250,568
EXPENDITURE ON					
Raising funds	3	19,329	47,123	66,452	88,929
Charitable activities					
Charitable costs		283,000	-	283,000	414,580
Support costs		1,211	-	1,211	1,391
Total		<u>303,540</u>	<u>47,123</u>	<u>350,663</u>	<u>504,900</u>
Net gains/(losses) on investments		<u>-</u>	<u>1,060,000</u>	<u>1,060,000</u>	<u>(390,000)</u>
NET INCOME/(EXPENDITURE)		<u>(68,701)</u>	<u>1,012,877</u>	<u>944,176</u>	<u>(644,332)</u>
Transfers between funds	16	<u>61,125</u>	<u>(61,125)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(7,576)</u>	<u>951,752</u>	<u>944,176</u>	<u>(644,332)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward					
As previously reported		81,226	9,084,883	9,166,109	9,420,441
Prior year adjustment	10	<u>-</u>	<u>1,160,000</u>	<u>1,160,000</u>	<u>1,550,000</u>
As restated		<u>81,226</u>	<u>10,244,883</u>	<u>10,326,109</u>	<u>10,970,441</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>73,650</u></u>	<u><u>11,196,635</u></u>	<u><u>11,270,285</u></u>	<u><u>10,326,109</u></u>


The notes form part of these financial statements

Brownsword Charitable Foundation

Balance Sheet
31 December 2021

	Notes	2021 £	2020 as restated £
FIXED ASSETS			
Tangible assets	11	2,026,478	2,050,295
Investment property	12	<u>5,410,000</u>	<u>4,350,000</u>
		7,436,478	6,400,295
CURRENT ASSETS			
Debtors	13	91,410	72,300
Cash at bank		<u>3,798,965</u>	<u>3,908,871</u>
		3,890,375	3,981,171
CREDITORS			
Amounts falling due within one year	14	<u>(56,568)</u>	<u>(55,357)</u>
NET CURRENT ASSETS		<u>3,833,807</u>	<u>3,925,814</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,270,285</u>	<u>10,326,109</u>
NET ASSETS		<u>11,270,285</u>	<u>10,326,109</u>
FUNDS	16		
Unrestricted funds		73,650	81,226
Endowment funds		<u>11,196,635</u>	<u>10,244,883</u>
TOTAL FUNDS		<u>11,270,285</u>	<u>10,326,109</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 5 September 2022 and were signed on its behalf by:


Mr A D Brownsword - Trustee

Brownsword Charitable Foundation

Cash Flow Statement
for the Year Ended 31 December 2021

		2021	2020
	Notes	£	as restated £
Cash flows from operating activities			
Cash generated from operations	1	<u>(62,783)</u>	<u>(203,360)</u>
Net cash used in operating activities		<u>(62,783)</u>	<u>(203,360)</u>
Cash flows from financing activities			
Expenditure attributable to endowment		<u>(47,123)</u>	<u>(31,708)</u>
Net cash used in financing activities		<u>(47,123)</u>	<u>(31,708)</u>
Change in cash and cash equivalents in the reporting period		<u>(109,906)</u>	<u>(235,068)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>3,908,871</u>	<u>4,143,939</u>
Cash and cash equivalents at the end of the reporting period		<u>3,798,965</u>	<u>3,908,871</u>

The notes form part of these financial statements

Brownsword Charitable Foundation

Notes to the Cash Flow Statement
for the Year Ended 31 December 2021

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020 as restated
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	944,176	(644,332)
Adjustments for:		
Depreciation charges	23,817	23,817
(Gain)/losses on investments	(1,060,000)	390,000
Expenditure attributable to endowment	47,123	31,708
(Increase)/decrease in debtors	(19,110)	5,708
Increase/(decrease) in creditors	<u>1,211</u>	<u>(10,261)</u>
Net cash used in operations	<u>(62,783)</u>	<u>(203,360)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank and in hand	<u>3,908,871</u>	<u>(109,906)</u>	<u>3,798,965</u>
	<u>3,908,871</u>	<u>(109,906)</u>	<u>3,798,965</u>
Total	<u>3,908,871</u>	<u>(109,906)</u>	<u>3,798,965</u>

Brownsword Charitable Foundation

Notes to the Financial Statements **for the Year Ended 31 December 2021**

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, 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 on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The most significant area of adjustment and key assumptions that affect items in the accounts are to do with estimating the fair value of investment properties (see note 11 for more information). Likewise, this is the most significant area of uncertainty that affects the carrying value of assets held by the Charity, in the next period.

Income

Rental income and interest receivable are recognised on an accruals 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.

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.

Grants payable

Grants payable 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 and the amount of the obligation can be measured reliably. Details are given on the face of the statement of financial activities on page 12.

Governance costs

Costs are allocated between direct charitable governance costs and other expenditure according to the nature of the cost. A detailed analysis of the allocation of costs is given on the face of the statement of financial activities on page 18.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated on a straight line basis at the following annual rates to write off assets over their estimated useful economic lives:

Property improvements 2%

Freehold property is valued every five years and is shown at the most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Investment property

Investment properties are measured initially at cost and subsequently at fair value.

Taxation

The charity is exempt from tax on its charitable activities.

Brownsword Charitable Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

1. ACCOUNTING POLICIES - continued

Fund accounting

The Charity has various types of funds for which it is responsible, and which require separate disclosure.

These are as follows:

Unrestricted funds

The unrestricted funds are funds that can be used by the Foundation towards operating costs and towards its charitable objects.

Expendable endowment fund

The endowment funds were given on the understanding that they are to be held by the Charity on a long term basis, primarily to support the work of the Charity by generating income or capital growth. The endowment fund is an expendable endowment, meaning that the trustees at their discretion can draw on the capital of the fund when they consider it necessary to support the operational work of the Charity. Expenditure directly attributable to the maintenance or protection of assets in the endowment fund is accounted for as an expense of the endowment fund.

2. INVESTMENT INCOME

	2021	2020 as restated
	£	£
Rental income receivable	234,455	240,548
Interest receivable	<u>384</u>	<u>10,020</u>
	<u>234,839</u>	<u>250,568</u>

3. RAISING FUNDS

Investment management costs

	2021	2020 as restated
	£	£
Bad debt expense	-	14,000
Legal and professional fees	5,838	8,230
Insurance	6,990	4,845
Management fees	6,000	6,000
Repairs and renewals	23,307	31,708
Light and heat	500	329
Depreciation	<u>23,817</u>	<u>23,817</u>
	<u>66,452</u>	<u>88,929</u>

4. GRANTS PAYABLE

	2021	2020 as restated
	£	£
Charitable costs	<u>283,000</u>	<u>414,580</u>

Brownsword Charitable Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

4. GRANTS PAYABLE - continued

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

	2021	2020 as restated
	£	£
Merchant Venturers	2,000	2,000
University of Bath Arts The Edge Project	-	50,000
Forever Friends Appeal for the RUH	200,000	200,000
Royal Dart Sailing Trust	-	500
Bath Abbey	25,000	100,000
Arts Taunton	45,000	36,080
Royal Horticultural Society	5,000	1,000
University of Exeter	-	10,000
Cleveland Pools Bath	-	10,000
Jessie May Trust	-	5,000
Dart Sailability	1,000	-
Bath Festivals Ltd	5,000	-
	<u>283,000</u>	<u>414,580</u>

5. SUPPORT COSTS

	Governance costs £
Support costs	<u>1,211</u>

6. AUDITORS' REMUNERATION

	2021	2020 as restated
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>1,211</u>	<u>1,368</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

8. STAFF COSTS

The charity had no employees in 2021 (2020 - Nil)

Brownsword Charitable Foundation

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Endowment fund	Total funds as restated £
	£	£	£
INCOME AND ENDOWMENTS FROM			
Investment income	250,568	-	250,568
EXPENDITURE ON			
Raising funds	33,404	55,525	88,929
Charitable activities			
Charitable costs	414,580	-	414,580
Support costs	1,391	-	1,391
Total	449,375	55,525	504,900
Net gains/(losses) on investments	-	(390,000)	(390,000)
NET INCOME/(EXPENDITURE)	(198,807)	(445,525)	(644,332)
Transfers between funds	150,000	(150,000)	-
Net movement in funds	(48,807)	(595,525)	(644,332)
RECONCILIATION OF FUNDS			
Total funds brought forward			
As previously reported	130,033	9,290,408	9,420,441
Prior year adjustment	-	1,550,000	1,550,000
As restated	130,033	10,840,408	10,970,441
TOTAL FUNDS CARRIED FORWARD	81,226	10,244,883	10,326,109

10. PRIOR YEAR ADJUSTMENT

The charity has changed its accounting policy on valuing its investment property. The properties were previously stated at the original market value when they were gifted to the charity in 2011 and no fair value adjustments had been made since this original valuation. The Trustees have decided to apply commercial property indexation to better estimate the fair value. This has increased the value of the property as originally stated at 31 December 2019 by £1,550,000 and has also generated an unrealised investment loss for the year ended to 31 December 2020 of £390,000. The net result of these adjustments is that reserves at 31 December 2020 increased by £1,160,000.

11. TANGIBLE FIXED ASSETS

	Land and buildings £
COST	
At 1 January 2021 and 31 December 2021	2,240,829
DEPRECIATION	
At 1 January 2021	190,534
Charge for year	23,817
At 31 December 2021	214,351
NET BOOK VALUE	
At 31 December 2021	2,026,478
At 31 December 2020	2,050,295

Brownsword Charitable Foundation

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

12. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2021	4,350,000
Revaluation	<u>1,060,000</u>
At 31 December 2021	<u>5,410,000</u>
NET BOOK VALUE	
At 31 December 2021	<u>5,410,000</u>
At 31 December 2020	<u>4,350,000</u>

The investment properties were initially valued by Derek Walker, Chartered Surveyor in 2011 and have been adjusted in line with market indexation.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020 as restated
	£	£
Debtors	90,027	70,917
Prepayments and accrued income	<u>1,383</u>	<u>1,383</u>
	<u>91,410</u>	<u>72,300</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020 as restated
	£	£
Creditors	1,500	1,500
Accruals and deferred income	<u>55,068</u>	<u>53,857</u>
	<u>56,568</u>	<u>55,357</u>

Deferred Income

Deferred income movement in the year and the prior year are as follows:-

	2021	2020
	£	£
Balance deferred as at 1 January 2021	52,567	62,828
Amount released to incoming resources	(52,567)	(62,828)
Amount deferred in year	<u>52,567</u>	<u>52,567</u>
Balance deferred as at 31 December 2021	<u>52,567</u>	<u>52,567</u>

Brownsword Charitable Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Deferred income comprised services invoiced in advance of the period in which they are to be delivered.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

			2021	2020 as restated
	Unrestricted fund £	Endowment fund £	Total funds £	Total funds £
Fixed assets	-	2,026,478	2,026,478	2,050,295
Investments	-	5,410,000	5,410,000	4,350,000
Current assets	130,218	3,760,157	3,890,375	3,981,171
Current liabilities	(56,568)	-	(56,568)	(55,357)
	<u>73,650</u>	<u>11,196,635</u>	<u>11,270,285</u>	<u>10,326,109</u>

The Charity has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Unrestricted funds

The unrestricted funds are funds that can be used by the Foundation towards operating costs and towards its charitable objects.

Expendable endowment fund

The endowment funds were given on the understanding that they are to be held by the Charity on a long term basis, primarily to support the work of the Charity by generating income or capital growth. The endowment fund is an expendable endowment, meaning that the trustees at their discretion can draw on the capital of the fund when they consider it necessary to support the operational work of the Charity. Expenditure directly attributable to the maintenance or protection of assets in the endowment fund is accounted for as an expense of the endowment fund.

16. MOVEMENT IN FUNDS

	At 1.1.21 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds					
General fund	81,226	-	(68,701)	61,125	73,650
Endowment funds					
Expendable endowment	9,084,883	1,160,000	1,012,877	(61,125)	11,196,635
TOTAL FUNDS	<u>9,166,109</u>	<u>1,160,000</u>	<u>944,176</u>	<u>-</u>	<u>11,270,285</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	234,839	(303,540)	-	(68,701)
Endowment funds				
Expendable endowment	-	(47,123)	1,060,000	1,012,877
TOTAL FUNDS	<u>234,839</u>	<u>(350,663)</u>	<u>1,060,000</u>	<u>944,176</u>

Brownsword Charitable Foundation

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.20 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds					
General fund	130,033	-	(198,807)	150,000	81,226
Endowment funds					
Expendable endowment	9,290,408	1,550,000	(445,525)	(150,000)	10,244,883
TOTAL FUNDS	<u>9,420,441</u>	<u>1,550,000</u>	<u>(644,332)</u>	<u>-</u>	<u>10,326,109</u>

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	250,568	(449,375)	-	(198,807)
Endowment funds				
Expendable endowment	-	(55,525)	(390,000)	(445,525)
TOTAL FUNDS	<u>250,568</u>	<u>(504,900)</u>	<u>(390,000)</u>	<u>(644,332)</u>

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

	At 1.1.20 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds					
General fund	130,033	-	(267,508)	211,125	73,650
Endowment funds					
Expendable endowment	9,290,408	2,710,000	567,352	(211,125)	12,356,635
TOTAL FUNDS	<u>9,420,441</u>	<u>2,710,000</u>	<u>299,844</u>	<u>-</u>	<u>12,430,285</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	485,407	(752,915)	-	(267,508)
Endowment funds				
Expendable endowment	-	(102,648)	670,000	567,352
TOTAL FUNDS	<u>485,407</u>	<u>(855,563)</u>	<u>670,000</u>	<u>299,844</u>

Brownsword Charitable Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2021.

Brownsword Charitable Foundation

Detailed Statement of Financial Activities
for the Year Ended 31 December 2021

	2021	2020
	£	as restated £
INCOME AND ENDOWMENTS		
Investment income		
Rental income receivable	234,455	240,548
Interest receivable	<u>384</u>	<u>10,020</u>
	<u>234,839</u>	<u>250,568</u>
Total incoming resources	234,839	250,568
EXPENDITURE		
Investment management costs		
Bad debt expense	-	14,000
Legal and professional fees	5,838	8,230
Insurance	6,990	4,845
Management fees	6,000	6,000
Repairs and renewals	23,307	31,708
Light and heat	500	329
Depreciation of freehold property	<u>23,817</u>	<u>23,817</u>
	66,452	88,929
Charitable activities		
Grants to institutions	283,000	414,580
Support costs		
Finance		
Bank charges	-	23
Governance costs		
Auditors' remuneration	<u>1,211</u>	<u>1,368</u>
Total resources expended	<u>350,663</u>	<u>504,900</u>
Net expenditure	<u>(115,824)</u>	<u>(254,332)</u>

This page does not form part of the statutory financial statements