

**REGISTERED CHARITY NUMBER: 1107412**

**Report of the Trustees and  
Financial Statements for the Year Ended 31 March 2023  
for  
THE MICHAEL AND BETTY LITTLE TRUST**

# **THE MICHAEL AND BETTY LITTLE TRUST**

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# THE MICHAEL AND BETTY LITTLE TRUST

Reference and Administrative Details  
for the Year Ended 31 March 2023

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<b>TRUSTEES</b>	Peter Little Hilary Graham Dr Helen Little Lucy Blackgrove Martin Little Elizabeth Moore Christopher Little Katherine Shipton
<b>PRINCIPAL ADDRESS</b>	12 Stanton Drive Chichester West Sussex PO19 5QN
<b>REGISTERED CHARITY NUMBER</b>	1107412
<b>AUDITORS</b>	Knox Cropper LLP Chartered Accountants and Statutory Auditors Office Suite 1 Haslemere House Lower Street Haslemere Surrey GU27 2PE
<b>BANKERS</b>	C. Hoare & Co. 37 Fleet Street London EC4P 4DQ
<b>FINANCE ADVISERS</b>	LGT Vestra LLP 14 Cornhill London EC3V 3NR  IQ Capital Partners LLP 95 Regent Street Cambridge CB2 1BQ

## **THE MICHAEL AND BETTY LITTLE TRUST**

### **Report of the Trustees for the Year Ended 31 March 2023**

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The trustees present their report with the financial statements of the charity for the year ended 31 March 2023. 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 and aims**

###### **Aims**

The aims of The Michael and Betty Little Trust are under the discretion of the Trustees to make grants for charitable purposes to individuals, other charities or voluntary bodies with an emphasis on sickness, distress, education, human rights and religion.

###### **Objects**

The objects of the charity are:

To further such charitable purposes in the UK or overseas by

Relieving those in financial need, hardship or distress;  
Relieving the sick and protecting and preserving public health;  
Advancing education;  
Promoting human rights;  
Advancing such of the world's religions as are recognised under English Charity law.

The long term aims of the charity are to expend its resources in the pursuit of these objects.

###### **Public benefit**

The Trustees confirm that they have considered the general guidance issued by the Charity Commission in connection with public benefit in setting the objectives of the charity and in particular they have considered how planned activities further the charity's objects.

## THE MICHAEL AND BETTY LITTLE TRUST

### Report of the Trustees for the Year Ended 31 March 2023

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#### OBJECTIVES AND ACTIVITIES

##### Grant Making Policy

The Trust has established its grant making policy to achieve its objects for the public benefit. The trustees recognise that the Trust's objectives will often require the provision of health, education, basic needs and other related provision to those in need. The grant making policy will be reviewed annually by the trustees and may be changed in accordance with the trustees' views of the most effective application of available funds to ensure that it reflects the charity's objects and advances public benefit.

##### Approach

The Michael & Betty Little Trust delivers its key objectives through the following grant-making vehicles:

**Major Grants** The trustees acknowledge the value of working with trusted third parties to deliver projects in line with its priorities to maximise the impact of its support and where other organisations have greater expertise.

**Small Grants** The trustees will, from time to time, choose to make small grants - normally one-off - to trusted third parties by which to further the Trust's Objects.

Proposals for support from the Trust are made via the Trustees at their meetings. Trustees must be in agreement that the grant meets one or more of the Trust's objectives.

##### Geographical Area

The trustees wish to support causes in both the UK and overseas. In respect of overseas projects.

##### Due Diligence

All grants will be subject to the Trust's Due Diligence Policy having been undertaken.

Recognising their duty to safeguard charitable assets, trustees confirm that any third party organisation receiving support from the Trust must be:

- a UK registered charity; or,
- an organisation that carries out activities that are consistent with charity objectives.

In respect of organisations outside of the UK, the Trust will ensure that such organisations are either registered with the appropriate local regulator or public authorities and/or have in place appropriate governance and financial handling policies and procedures to ensure the appropriate safeguarding and use of the Trust's charitable funds.

#### ACHIEVEMENT AND PERFORMANCE

##### Achievement and Performance

The Michael and Betty Little Trust commenced operations in 2004, as the residual beneficiary of the estate of Michael Little, and received further donations from Trustees in 2015, 2018, 2020, 2021 and 2023. The Trustees have made various grants in line with the objects of the Charity during the year. These are detailed in note 5 to the Financial Statements.

The Trust will monitor the performance of its grants programme using reports from grant recipients. These reports, including the Financial Statements of recipient institutions, will influence whether or not further grants will be made to that body.

## THE MICHAEL AND BETTY LITTLE TRUST

### Report of the Trustees for the Year Ended 31 March 2023

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#### ACHIEVEMENT AND PERFORMANCE

##### Investment policy and performance

**Listed investments** are managed under the terms of an investment management agreement with LGT Vestra LLP. The investment manager is required to make investments on behalf of the Trust in line with benchmarks that have been set and against which performance is measured. The portfolio was transferred to the management of LGT Vestra in January 2020.

Investment performance is reviewed by the Trustees, who receive periodic reports on matters pertinent to its investment policy. Trustees have adopted a strategy of generating income from investing in a range of assets with a low/medium risk profile. This should typically provide modest capital growth, with a predominant focus on income generating assets.

The following illustrates the current weightings expressed in percentages of the Trust's investment funds:

Overseas Equities 77.97% (2022: 77.30%)

UK Equities 2.42% (2022: 7.20%)

UK Sovereign 3.01% (2022: NIL)

Overseas Bonds 11.02% (2022: 8.72%)

Cash 5.58% (2022: 6.78%)

For the period from 1st January 2022 to 31st March 2023, the portfolio total return amounted to -175.95% (2022: -5.23%).

**Unlisted investments** are managed by IQ Capital Growth Fund I LP which focuses on investments into growth-stage investees.

The Michael and Betty Little Trust total commitment to the Fund is £3m. As of 31st March 2023 the total contribution is £2.18m (2022: £1.2m).

The Trust's total Fair Market Value (FMV) Capital Account at year end is £3,983,762 (2022: £3,323,628) (Note 9) of which:

£1,962,166 represents the share of Investments made by the Fund (at Cost) (2022: £1,348,325) and

£1,936,153 represents the unrealised Gain of Investment (2022: £2,123,973) unrealised Investment  
FV

IQ Capital Growth Fund ILP total FMV stands at £129.94m at year end (2022: £115.7m), represented by: BMLL (FMV £10.08m), Speechmatics (FMV £10.01m), Thought Machine (FMV £92.2m), CausaLens (FMV £5m), Nyobolt (FMV £5m), and Paragraf (FMV £7.3m).

#### Social Investments

##### Century-Tech Ltd.

The Trust holds 162886 A Ordinary Shares and 202684 Ordinary Shares at a cost of £2m (2023: £1m; 2022: £1m).

These investments are a mixed motive investment as it has the objective of supporting education, in line with the Charity's objectives, as well as investment return with a Nil Fair Value as of 31st March 2023.

##### Time to Spare Limited

The Trust invested £50,000 to acquire 320,202 Ordinary Shares in the enterprise investment scheme Time to Spare Limited used to raise £386,949 (1,781,531 total new Ordinary Shares).

Time to Spare Limited is a new company building the operating system for the charity sector. The trust decision to invest is to: 1) support other charities and 2) increase the impact of charitable giving belief.

##### The DaCapo Music Foundation Limited

The Trust invested £40,000 to acquire 4,000,000 new ordinary shares of £0.1 each. The trust's agreement to invest is to aid the provision to train teachers to teach music to students on a non selective an inclusive basis, promoting and advancing education and as such falls within the stated objective of the Charity.

## THE MICHAEL AND BETTY LITTLE TRUST

### Report of the Trustees for the Year Ended 31 March 2023

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#### ACHIEVEMENT AND PERFORMANCE

##### Programme Related Investment

##### Mission Housing Limited

The Trust acquired an equity loan linked to property "93 Mary Datchelor Close, London" acquired for £460,000. The Loan is interest free and the terms are for 5 years with a maturity repayment date 09th June 2027.

##### Loan

##### Digital Identity Net U.K Limited

The Trust holds 200,000 shares under the EIS fundraising scheme launched October 2022 at £5 per share = £1m invested in the year.

#### FINANCIAL REVIEW

##### Financial position

The Trust's work is entirely reliant on donated income and investment returns. Investment income in the year amounted to £63,392 (2022: £103,487). This enabled the charity to develop its grant making policy. £573,832 of donations were made to the Trust in the year (2022: NIL).

The Charity's total income for the year amounted to £658,837 (2022: £103,587). Resources expended amounted to £1,760,625 (2022: £1,220,278 ) and in addition there were unrealised losses of £1,930,016 (2022: £936,055) and realised losses of £706,730 (2022: realised gain £319,262).

The Balance Sheet records unrestricted funds of £7,086,040 (2022: £10,824,574). The Assets comprised the Investment Portfolio amounting to £6,985,584 (2022: £10,793,794) and Net Current Assets of £100,456 (2022: £30,780).

##### Reserves policy

The Charity seeks to maintain an investment portfolio capable of producing a total return to support Trustees' objectives in grant making in line with the Charity's objects.

Total funds held by the Charity at 31st March 2023 amounted to £7,086,040 All funds are unrestricted.

##### Going concern

The Trustees have a reasonable expectation that the charity has adequate resources to continue operations for the foreseeable future. The going concern basis has therefore continued to be used in preparing the financial statements. The Board has considered the impact of Covid-19 on the short and long term health of the charity and is content that the measures taken by the charity, together with a robust investment portfolio, provides assurance that the going concern basis is appropriate in preparing the financial statements.

#### FUTURE PLANS

The Trustees will be focusing on:

- Continuing to support the charities and causes identified by Trustees;
- Monitoring the investment monies and considering opportunities for increased returns;
- Keep administration expenditure to a minimum.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

The Michael and Betty Little Trust is an Unincorporated Charity governed by a Trust Deed dated 20th December 2004.

##### Recruitment and appointment of new trustees

The Michael and Betty Little Trust is governed by a Board of Trustees whose members are elected as the need arises. The Trustees who have served during the period are set out above.

## THE MICHAEL AND BETTY LITTLE TRUST

### Report of the Trustees for the Year Ended 31 March 2023

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Organisational structure

The Board of Trustees administers the charity. The Board meets on a regular basis. The day to day operations of the charity are administered by the Trustees. To facilitate effective operations, individual Trustees have delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance.

##### Induction and training of new trustees

New Trustees will be provided with detailed information on their legal obligations under charity law and what the role will entail. Their training needs will be assessed, and training provided if required. In addition, new Trustees will be provided with copies of:

- the Deed of the Charity
- Board papers from the last year including the accounts

Where necessary Trustees will be encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

##### Key management remuneration

No remuneration, directly or indirectly, was paid or is payable for the period to any Trustee. There are no other key management personnel.

##### Risk management

Consideration is given to the major risks to which the charity is exposed, as identified by the Trustees.

The Trustees consider variability of investment returns to constitute the charity's major financial risk. This risk is mitigated as far as is possible through regular reviews with the Investment Management advisors.

The risk of bank failure following the financial crisis was considered by the Trustees and upon review it was considered that the banking and investment services are secure, but the situation should be monitored regularly.

#### 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

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

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



**THE MICHAEL AND BETTY LITTLE TRUST**

**Report of the Trustees  
for the Year Ended 31 March 2023**

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Approved by order of the board of trustees on 17 September 2024 and signed on its behalf by:

Peter Little - Trustee

## **Report of the Independent Auditors to the Trustees of The Michael and Betty Little Trust**

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### **Opinion**

We have audited the financial statements of The Michael and Betty Little Trust (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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.

### **Emphasis of matter**

We draw attention to Note 14, which discloses a contingent tax liability relating to the treatment of the charity's social investments as qualifying investments for tax purposes. Our opinion is not modified in respect of this matter.

### **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.

**Report of the Independent Auditors to the Trustees of  
The Michael and Betty Little Trust**

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**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.

**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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity and determined that the most significant are the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP), in accordance with the Financial Reporting Standard applicable in the UK (FRS 102).
- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We understood how the charity is complying with those frameworks via communication with those charged with governance, together with the review of the charity's documented policies and procedures.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. These included risks associated with Revenue Recognition, and Management Override of Controls, which were discussed and agreed by the audit team.
- Our approach included agreeing the charity's recognition of income to the terms of the underlying licenses to occupy and associated correspondence, the review of journal entries processed in the accounting records and the investigation of significant and unusual transactions identified from our review of the accounting records.
- Our approach was also to check that all restricted income was properly identified and separately accounted for. This included reviewing journal adjustments and unusual transactions.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the trustees with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the charity.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

**Report of the Independent Auditors to the Trustees of  
The Michael and Betty Little Trust**

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**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.

Knox Cropper LLP  
Chartered Accountants and Statutory Auditors  
Office Suite 1  
Haslemere House  
Lower Street  
Haslemere  
Surrey  
GU27 2PE

Date: 21<sup>st</sup> October 2024

# THE MICHAEL AND BETTY LITTLE TRUST

## Statement of Financial Activities for the Year Ended 31 March 2023

		2023 Unrestricted fund £	2022 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>	Notes		
Donations and legacies	2	573,832	-
Investment income	3	63,392	103,487
Other income		<u>21,613</u>	<u>100</u>
<b>Total</b>		<u>658,837</u>	<u>103,587</u>
 <b>EXPENDITURE ON</b>			
Raising funds	4	63,136	70,762
<b>Charitable activities</b>	5		
Grants		1,687,040	1,145,217
Governance Costs		<u>10,449</u>	<u>4,299</u>
<b>Total</b>		<u>1,760,625</u>	<u>1,220,278</u>
 Net gains/(losses) on investments		<u>(2,636,746)</u>	<u>1,255,317</u>
 <b>NET INCOME/(EXPENDITURE)</b>		<b>(3,738,534)</b>	<b>138,626</b>
 <b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward		<u>10,824,574</u>	<u>10,685,948</u>
 <b>TOTAL FUNDS CARRIED FORWARD</b>		<u><b>7,086,040</b></u>	<u><b>10,824,574</b></u>

The notes form part of these financial statements

# THE MICHAEL AND BETTY LITTLE TRUST

## Statement of Financial Position 31 March 2023

		2023 Unrestricted fund £	2022 Total funds £
<b>FIXED ASSETS</b>	Notes		
<b>Investments</b>			
Investments	9	6,787,984	10,793,794
Social investments	10	<u>197,600</u>	<u>-</u>
		<b>6,985,584</b>	<b>10,793,794</b>
<b>CURRENT ASSETS</b>			
Debtors	11	85,444	2,500
Cash at bank and in hand		<u>24,612</u>	<u>187,930</u>
		<b>110,056</b>	<b>190,430</b>
<b>CREDITORS</b>			
Amounts falling due within one year	12	(9,600)	(159,650)
		<u>100,456</u>	<u>30,780</u>
<b>NET CURRENT ASSETS</b>			
		<u>100,456</u>	<u>30,780</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>7,086,040</u>	<u>10,824,574</u>
<b>NET ASSETS</b>			
		<u>7,086,040</u>	<u>10,824,574</u>
<b>FUNDS</b>			
Unrestricted funds		<u>7,086,040</u>	<u>10,824,574</u>
<b>TOTAL FUNDS</b>		<u>7,086,040</u>	<u>10,824,574</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 17 September 2024 and were signed on its behalf by:

Peter Little - Trustee

The notes form part of these financial statements

**THE MICHAEL AND BETTY LITTLE TRUST**

**Statement of Cash Flows  
for the Year Ended 31 March 2023**

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(1,249,504)</u>	<u>(1,214,908)</u>
Net cash used in operating activities		<u>(1,249,504)</u>	<u>(1,214,908)</u>
<b>Cash flows from investing activities</b>			
Purchase of fixed asset investments		(2,731,025)	(2,738,044)
Purchase of social investments		(2,190,000)	-
Sale of fixed asset investments		6,177,933	3,593,650
Interest received		993	-
Dividends received		<u>62,399</u>	<u>103,487</u>
Net cash provided by investing activities		<u>1,320,300</u>	<u>959,093</u>
<b>Cash flows from financing activities</b>			
New loans in year		(85,444)	148,670
Loan repayments in year		<u>(148,670)</u>	<u>-</u>
Net cash (used in)/provided by financing activities		<u>(234,114)</u>	<u>148,670</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(163,318)</b>	<b>(107,145)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b><u>187,930</u></b>	<b><u>295,075</u></b>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b><u>24,612</u></b>	<b><u>187,930</u></b>

The notes form part of these financial statements



# THE MICHAEL AND BETTY LITTLE TRUST

## Notes to the Statement of Cash Flows for the Year Ended 31 March 2023

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

	2023 £	2022 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(3,738,534)	138,626
Adjustments for:		
Losses/(gain) on investments	2,636,746	(1,255,317)
Interest received	(993)	-
Dividends received	(62,399)	(103,487)
(Increase)/decrease in debtors	(82,944)	1,490
(Decrease)/increase in creditors	(1,380)	3,780
Net cash used in operations	<u>(1,249,504)</u>	<u>(1,214,908)</u>

### 2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	<u>187,930</u>	<u>(163,318)</u>	<u>24,612</u>
	<u>187,930</u>	<u>(163,318)</u>	<u>24,612</u>
Debt			
Debts falling due within 1 year	<u>(148,670)</u>	<u>148,670</u>	<u>-</u>
	<u>(148,670)</u>	<u>148,670</u>	<u>-</u>
Total	<u>39,260</u>	<u>(14,648)</u>	<u>24,612</u>

The notes form part of these financial statements

## 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 Trustees consider that there are no uncertainties about the Charity's ability to continue as a going concern.

### **Critical accounting judgements and key sources of estimation uncertainty**

The application of accounting standards and policies requires the Trustees to make estimates and assumptions about future events that directly affect the charity's reported financial condition and operating performance. The accounting estimates and assumptions discussed are those that the Trustees consider to be most critical to the financial statements. An accounting estimate is considered critical if both (a) the nature of estimates or assumptions is material due to the level of subjectivity and judgement involved, and (b) the impact within a reasonable range of outcomes of the estimates and assumptions is material to the charity's financial condition or operating performance.

The Trustees have considered the risk of estimation uncertainty causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and consider there to be no significant judgements or estimates in the accounts.

### **Income**

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

Donations are recognised when the Trust has been notified in writing of both the amount and settlement date. If a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of these conditions is wholly within the control of the charity, and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case-by-case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash, or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

### **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 settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

## THE MICHAEL AND BETTY LITTLE TRUST

### Notes to the Financial Statements - continued for the Year Ended 31 March 2023

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#### 1. ACCOUNTING POLICIES - continued

##### **Expenditure**

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified on the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

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

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit the Trust to avoid making the future payment(s), settlement is probable, and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant award is made. The discount rate is regarded by the trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the Trust.

##### **Raising funds**

The costs of generating funds consist of investment management costs and certain legal fees.

##### **Charitable activities**

Costs of charitable activities include grants made, governance costs and an apportionment of support costs.

##### **Allocation and apportionment of costs**

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

##### **Investments**

##### **LISTED INVESTMENTS**

Listed Investments are a form of basic financial investment and are initially recognised at their transaction value and subsequently measured at fair value (FV) as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Realised gains and losses on listed investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

Listed Investments are managed under the terms of an investment management agreement with LGT Vestra LLP. The investment manager is required to make investments on behalf of the Trust in line with benchmarks that have been set and against which performance is measured.

Investment performance is reviewed by the trustees, who receive periodic reports on matters pertinent to its investment policy. Trustees have adopted a strategy of generating income from investing in a range of assets with a low/medium risk profile. This should typically provide modest capital growth, with a predominant focus on income generating assets.

## THE MICHAEL AND BETTY LITTLE TRUST

### Notes to the Financial Statements - continued for the Year Ended 31 March 2023

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#### 1. ACCOUNTING POLICIES - continued UNLISTED INVESTMENTS

##### Investments

Unlisted Investments are initially recognised at their transaction value and subsequently measured at FV as at the balance sheet date using the investment management valuation.

Unlisted Investments are managed by IQ Capital Growth Fund I LP which focuses on investments into growth-stage investees.

##### SOCIAL INVESTMENT

The Social Investments comprise mixed motive investments which are valued at cost less impairment and a programme related Equity Loan.

##### Mixed motive investments

The Trust held a £1m + £60,712 (8% interest) Convertible Loan with Century-Tech Limited in 2021. The Convertible Loan was exercised in the form of shares after the year end (7th May 2021) and has invested a further £1m this reporting year.

This year the Trust has invested £50,000 in Time to Spare Limited and a further £40,000 in the Dacapo Music Foundation Limited.

##### Programme related Equity Loan

The Trust acquired in the year an equity loan linked to property: 93 Mary Datchelor Close in London. This is a five year term loan and represents a 21.739% share of the £460,000 purchase price of property.

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

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

##### Taxation

The charity is exempt from tax on its charitable activities.

##### Fund accounting

Unrestricted funds consist of those funds which the charity may use in furtherance of its charitable objects at the discretion of the Trustees. Restricted funds exist for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

##### Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

##### Cash at bank and in hand

Cash bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

##### Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

# THE MICHAEL AND BETTY LITTLE TRUST

## Notes to the Financial Statements - continued for the Year Ended 31 March 2023

### 1. ACCOUNTING POLICIES - continued

#### Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### 2. DONATIONS AND LEGACIES

	2023 £	2022 £
Donations	<u>573,832</u>	<u>-</u>

### 3. INVESTMENT INCOME

	2023 £	2022 £
Income from listed investment	62,399	103,487
Deposit account interest	<u>993</u>	<u>-</u>
	<u>63,392</u>	<u>103,487</u>

### 4. RAISING FUNDS

#### Investment management costs

	2023 £	2022 £
Investment Managers Fees	63,136	66,097
Foreign Exchange Costs	<u>-</u>	<u>4,665</u>
	<u>63,136</u>	<u>70,762</u>

### 5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 6) £	Support costs (see note 7) £	Totals £
Grants	1,687,040	-	1,687,040
Governance Costs	<u>-</u>	<u>10,449</u>	<u>10,449</u>
	<u>1,687,040</u>	<u>10,449</u>	<u>1,697,489</u>

THE MICHAEL AND BETTY LITTLE TRUST

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023

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6. GRANTS PAYABLE

	2023 £	2022 £
Grants	<u>1,687,040</u>	<u>1,145,217</u>

## THE MICHAEL AND BETTY LITTLE TRUST

### Notes to the Financial Statements - continued for the Year Ended 31 March 2023

#### 6. GRANTS PAYABLE - continued

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

	2023	2022
	£	£
Alder Trust	94,500	25,500
Crossover Youth Centre	15,000	60,000
Easebourne School	-	15,000
First Give	25,000	25,000
Girl's Network, The	-	45,000
Home Start	100,000	60,000
King's Arms	30,000	50,000
Life Centre	50,000	30,000
London Reclaimed	155,000	70,000
Mummy's Star	30,000	25,000
Over the Moon	100,000	90,000
Pacific Dermatology	-	57,153
PACSO	50,000	50,000
Rosemary Foundation	30,000	30,000
Refugees at Home	42,500	40,000
Regenerate UK	-	50,000
SJP Charity	15,000	15,000
Sussex Snowdrop Trust, The	50,000	40,000
Turning Tides	-	40,000
Wells Trust	49,600	48,000
Imagine If Trust	25,000	24,000
Sebbys Space	7,500	30,000
West London Welcome	73,000	73,000
Breastfeeding Network (UK), The	22,000	13,000
Wave Cafe	21,000	30,000
Creative Options	-	20,000
BIGKID Foundation	53,000	10,000
Together with Migrant Children	10,000	59,564
Samaritans Bognor	-	20,000
The Blue Thread	100,000	-
Sexpresion:UK	21,000	-
Furnishing Futures	35,000	-
Service Dogs UK	15,000	-
Ameca Trust	5,000	-
Pedal People	10,000	-
Ahoy Centre	46,000	-
Fair Shot	37,000	-
Bike Project, The	40,000	-
Selsey Community	15,000	-
Prison Family Support	30,000	-
Love the One	120,000	-
Micro Rainbow	50,000	-
Voices of Children	44,940	-
Law for Change	25,000	-
Buddy Up	30,000	-
Family First Ghana	15,000	-
	<u>1,687,040</u>	<u>1,145,217</u>

# THE MICHAEL AND BETTY LITTLE TRUST

## Notes to the Financial Statements - continued for the Year Ended 31 March 2023

### 7. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Governance Costs	<u>849</u>	<u>9,600</u>	<u>10,449</u>

£7,200 Governance costs relate to Audit fees for the year (2022: £3,780 Independent Examination fee). Non-audit remuneration amounted to £2,400 (2022: £Nil).

### 8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

#### Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

### 9. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Cash and settlements pending £	Totals £
<b>MARKET VALUE</b>				
At 1 April 2022	7,124,950	3,323,628	345,216	10,793,794
Additions	2,543,045	980,154	-	3,523,199
Disposals	(6,306,027)	(267,702)	(310,934)	(6,884,663)
Revaluations	(592,028)	-	-	(592,028)
Impairments	-	(52,318)	-	(52,318)
At 31 March 2023	<u>2,769,940</u>	<u>3,983,762</u>	<u>34,282</u>	<u>6,787,984</u>
<b>NET BOOK VALUE</b>				
At 31 March 2023	<u>2,769,940</u>	<u>3,983,762</u>	<u>34,282</u>	<u>6,787,984</u>
At 31 March 2022	<u>7,124,950</u>	<u>3,323,628</u>	<u>345,216</u>	<u>10,793,794</u>

There are investment assets outside the UK.

#### LISTED INVESTMENTS

	2023 £	2022 £
<b>Bonds / Fixed Interest</b>		
UK Sovereign	83,438	-
Overseas Corporate	<u>305,164</u>	<u>665,815</u>
<b>Total Bonds / Fixed Interest</b>	<u>388,602</u>	<u>665,815</u>
<b>Equities</b>		
UK	67,069	550,431
North America	1,116,475	3,532,907
Europe	494,922	1,071,694
Asia Pacific ex. Japan	344,974	950,110
Global	<u>203,312</u>	<u>353,993</u>



# THE MICHAEL AND BETTY LITTLE TRUST

## Notes to the Financial Statements - continued for the Year Ended 31 March 2023

### 9. FIXED ASSET INVESTMENTS - continued

	<b>Total Equities</b>	<b>2,226,752</b>	<b>6,459,135</b>
<b>Alternatives / Cash Products</b>			
Absolute Return		<b>119,577</b>	-
Cash Products		<b>35,009</b>	-
<b>Total Alternatives / Cash Products</b>		<b>154,586</b>	<b>6,459,135</b>
<b>TOTAL LISTED INVESTMENTS</b>		<b>2,769,940</b>	<b>7,124,950</b>
<b>UNLISTED INVESTMENTS</b>			
IQ Capital Growth Fund I L.P.			
UK		<b>3,983,762</b>	<b>3,323,628</b>

The Trust total commitment to IQ Capital Growth Fund I L.P. (IQGF1) is £3m. As of 31st March 2023 the Trust has invested £2,220,000 to IQGF1.

IQ Capital Growth Fund I L.P. (IQGF1) is focused on investments into growth-stage investees of IQ Capital Fund II L.P. and IQ Capital Fund III L.P. The final close was completed on 29th October 2020, with the fund reaching its £100m cap size.

As of 31st March 2023 IQ Capital Growth Fund I L.P. FMV stands at £129.9m of which the Trusts holds a 3% share, represented by: ThoughtMachine (FMV £92.2m), Nyobolt (FMV £5m), CausaLens (FMV £5m), Speechmatics (FMV £10.3m) and Paragraf (FMV £7.3m) and BBLL (FMV £10.1m).

The historical cost of investment as at 31st March 2022:

Listed investments £6,494,540

Unlisted investments £1,348,325

### 10. SOCIAL INVESTMENTS

	Programme related investments equity £	Mixed motive investments £	Totals £
<b>MARKET VALUE</b>			
Additions	<b>100,000</b>	<b>2,090,000</b>	<b>2,190,000</b>
Revaluations	<b>7,600</b>	-	<b>7,600</b>
Impairments	-	<b>(2,000,000)</b>	<b>(2,000,000)</b>
<b>At 31 March 2023</b>	<b>107,600</b>	<b>90,000</b>	<b>197,600</b>
<b>NET BOOK VALUE</b>			
<b>At 31 March 2023</b>	<b>107,600</b>	<b>90,000</b>	<b>197,600</b>
<b>At 31 March 2022</b>	-	-	-

**THE MICHAEL AND BETTY LITTLE TRUST****Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023****10. SOCIAL INVESTMENTS - continued**

Cost or valuation at 31 March 2023 is represented by:

	Equity £	Mixed motive investments £	Totals £
Valuation in 2021	-	1,060,712	1,060,712
Valuation in 2022	-	(1,060,712)	(1,060,712)
Valuation in 2023	<u>107,600</u>	<u>90,000</u>	<u>197,600</u>
	<u>107,600</u>	<u>90,000</u>	<u>197,600</u>

If social investments had not been revalued they would have been included at the following historical cost:

	2023 £	2022 £
Cost	<u>3,150,712</u>	<u>1,060,712</u>

Social investments were valued on an open market basis on 31 March 2023 by the amount that would have been obtained.

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Trade debtors	-	2,500
GP Fund account	<u>85,444</u>	<u>-</u>
	<u>85,444</u>	<u>2,500</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Other loans (see note 13)	-	148,670
Accrued expenses	<u>9,600</u>	<u>10,980</u>
	<u>9,600</u>	<u>159,650</u>

## THE MICHAEL AND BETTY LITTLE TRUST

### Notes to the Financial Statements - continued for the Year Ended 31 March 2023

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#### 13. LOANS

An analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year on demand:		
IQ Loan	-	148,670

#### 14. CONTINGENT LIABILITIES

As set out in Note 10, the charity has invested in a number of unquoted entities as part of its social investments strategy. The Trustees are satisfied that these social investments are qualifying investments for tax purposes and therefore no provision has been made in the accounts for tax payable. However, should HMRC determine that they are non-qualifying investments, a tax liability amounting to approximately £156,215 would be payable. This amount is disclosed as a contingent liability on the basis that, in the judgment of the Trustees, although not probable, the possibility of a liability arising is not remote.

#### 15. CAPITAL COMMITMENTS

The Michael and Betty Little Trust total commitment to IQ Capital Growth Fund I LP is £3m. As of 31st March 2023 the total contribution amounts to £2,220,000 with a remaining commitment of £780,000.

#### 16. RELATED PARTY DISCLOSURES

##### UNLISTED INVESTMENTS

Richard Little (former Trustee to 22nd June 2020) and member of the Little family, which comprise the majority of the Board of Trustees, is on the advisory board of The IQ Capital Growth Fund I L P. As per note 9, as of 31st March 2023, the Trust has invested £2,220,000 in IQ Capital Growth Fund.

##### SOCIAL INVESTMENTS

Richard Little is a Director at Century-Tech Limited in which the Trust has invested £2m to date.

No income was received in 2023 or 2022 in respect of these investments.

##### DONATIONS AND LEGACIES

The Charity received £576,331 from the estate of the late Michael Little during the year.