

**The Herd Lawson and Muriel Lawson
Charitable Trust**

**Unaudited Financial Statements for the year ended
5 April 2023**

Charity Registration Number: 1113220

THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr B Herd Dr J E Barker Mr W M Corin Mr P C Cookson Mr A M Hewitt Mr I M Jenkinson
Charity number	1113220
Principal address	Garburn 14 Church Street Ambleside Cumbria LA22 0BT
Independent examiner	Darren Little FCA Saint & Co Chartered Accountants The Old Police Station Church Street Ambleside Cumbria LA22 0BT
Bankers	Barclays Bank Plc 9 Highgate Kendal Cumbria LA9 4DA CCLA Fund Managers One Angel Lane London EC4R 3AB
Investment advisors	Walker Crips Stockbrokers Finsbury Tower 103-105 Bunhill Row London EC1Y 8LZ
Property Managers	Carter Jonas LLP Chartered Surveyors 52 Kirkland Kendal Cumbria LA9 5AP

THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

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THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2023

The trustees present their annual report and financial statements for the year ended 5 April 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's governing document, the Charities Act 2011 and "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

Summary of the objects set out in the governing document

All of the property and investments of the charity are held and have been acquired in accordance with the powers available to the trustees. The trustees hold the capital and income of the charity upon trust to apply such parts, and in such proportions, of the income and capital as they may in their own uncontrolled discretion determine: -

One half for: -

The Christian Workers Relief Fund (formerly the Homeworkers' Fund) and for the benefit of needy elderly people, primarily those who are members of Evangelical or Christian Brethren Churches

One half for: -

World Wildlife Fund (W.W.F. - UK) and the British Red Cross Society (British Red Cross)

Charity's aims

The trustees aim to maintain an appropriate level of distributions to benefit charities within the prescribed list whilst, at the same time, doing their best to safeguard the value of the assets entrusted to them.

Public Benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the trust should undertake.

Summary of the main activities in relation to these objects

Distributions

The investment portfolio had not performed as well as in the previous year with a net loss of £79,021. The Trustees were aware of the exceptional financial difficulties faced by their beneficiaries and had reluctantly agreed to reduce the level of distributions to the normal £120,000 after the increase to £150,000 in 2021/22.

During the financial year under review, the trustees made, in accordance with the objectives of the charity, distributions totalling £120,500, a detailed breakdown is shown in the notes to the financial statement.

THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

Achievements and performance

Summary of main achievements of the charity during the year

Investment property

All the trusts' properties have been let throughout the year with a few, but limited, voids on changes in tenancy.

Repair works during the pandemic had been at a much reduced level. Following the lifting of all restrictions the level of repairs during the year had increased considerably. The postponed painting of Bridge Street had been completed during the year. Given the age of the Trust's properties the annual repairs are likely to continue to fluctuate significantly from year to year. Further details are included in the performance review.

A long term rental property had been vacated. The trustees considered that the level of repair was substantial and the rental income could not warrant the cost of refurbishment. It was decided reluctantly to sell the property and a sale was completed in late December 2022. The net proceeds of the sale had been invested to cover any major future repairs of the properties.

Portfolio investments

2022/23 was a turbulent year for the Stock Markets throughout the world. The Russian invasion of Ukraine had a profound effect. Soaring wide-spread inflation, the cost of living crisis and Brexit had continued to take its toll. The UK is the only member of the G7 with an economy smaller than prior to the pandemic.

The UK market suffered from political instability. The Trust's portfolio had lost value and by the end of the end of the 2022/23 financial year the portfolio had shown a loss of 12.9%. The balance in the portfolio at the year end was inflated by the £400,000 introduced following the sale of the long term rental.

Summary of main difference that the charity's work has made for its beneficiaries during the year

Reports are received each year from each of the charities supported - these set out the activities undertaken by those charities with funds provided to them.

The two large international charities supported by HLMLT were affected by challenges such as warfare, pandemic, climate change etc and they were grateful for the help the Trust was able to give this year. Lock down restrictions and cost of living pressures caused serious funding problems for all charities and for individual recipients. The beneficiaries were grateful for the Trust's continuing support.

THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

Financial review

Review of financial position of the charity

Annual performance review

During the year under review, the gross rental income from property investments was £228,316.

The total costs attributable to the freehold properties paid from unrestricted funds amounted to £132,558 of which £70,775 was for general repairs and maintenance, £24,657 was for insurance and £35,878 for rent collection and management of the properties.

Transfers to reserves of £15,000 for the cost of future painting of the properties and £12,000 for extraordinary repairs have been included in this year's financial statements.

Investment portfolios review

All the Trust's investments continue to be managed very well by Walker Crips following the changes reported last year. The portfolio is managed on a discretionary basis, medium risk, balanced return, with an annual client suitability review.

The Trustees noted the portfolio increased in value to £929,406 in the course of the year but this included the £400,000 from the sale of the long term rental. This represents a net loss of £79,169 (2022: £26,086 net loss). The Trust has received dividends of £11,324 (2022: £9,931) during the year.

Statement of the charity's policy on reserves

1) The policy of the trustees is to maintain a cash reserve of £60,000 at each year end inflation linked from 5th April 2009 and a portfolio of investments of £360,000 inflation linked from 5th April 2009. The index linked figure of the cash reserve at 5th April 2023 is calculated at £104,269 and the index linked figure for the portfolio of investments at 6th April 2023 is calculated at £625,613.

The cash reserve at the year-end was £211,704, £107,435 in excess of the index linked figure.

The portfolio of investments at the year-end was £929,406, £303,793 in excess of the index linked figure.

2) The trustees shall consider making extra distributions when the value of investments is shown to be higher than this reserve after considering any surplus or deficit in the cash free unrestricted reserve. This shall only be considered if the reserves have been maintained for a period of 2 years.

3) The trustees have continued their policy of making transfers to the Extraordinary Repairs Reserve and to the Painting Reserve.

Principal financial management policies adopted

The trustees meet on a regular basis during the year and monitor the cash reserve and financial position of the charity. The trustees have enlisted professionals for key tasks such as the management of the properties and the investment portfolios.

Principal funding sources and how expenditure in the year under review has supported the key objectives of the charity

The income is generated from the following sources:

- Rental income from the investment properties
- Dividend income from the investment portfolios
- Bank interest

THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

Plans for future periods

The trustees will continue their work to realise the aims of the charity. In particular, following the recent review of all the trust's operations, they will work to try to ensure that the potential for increasing the Trust's net income and distribution levels is secured in the longer term.

Structure, governance and management

The Trust is a registered charity, number 1113220, formed by a trust deed dated 22nd February 2006. All assets of the Muriel Lawson 1983 Charitable Trust and assets of an equal value from the Henry Herd Charitable Trust were transferred to the charity in March 2006. The assets include freehold property in Bridge Street and Central Buildings in Ambleside and two portfolios of investments. In November 2014 the trustees transferred the freehold of all their properties to the Official Custodian for Charities.

The trustees who served during the year and up to the date of signature of the financial statements were:

Dr B Herd
Dr J E Barker
Mr W M Corin
Mr P C Cookson
Mr A M Hewitt
Mr I M Jenkinson

Methods adopted for the recruitment and appointment of new trustees

When there is a need for new trustees the existing trustees look to select suitable candidates who, through past experience and qualification, would continue the policy of enabling a broad input to their decision making.

Organisational structure

The structure of the trust consists of a board of trustees supported by an administrator. Key tasks such as the management of the properties and the investment portfolios is undertaken by specialist professionals appointed by the trustees and reporting to them on a regular basis.

Policies and procedures adopted for the induction and training of trustees

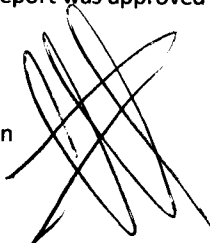
New trustees are provided with information about and the opportunity to discuss any aspects of the trust's operations including its background, recent activities, current financial position and control documents. Trustees also have the opportunity for meetings with the property and investment managers and the accountants to the trust, as well as meetings and liaising with the other trustees. Background and development information from the Charity Commission is also provided.

Risk management

The principal risk faced by the trust lies in the performance of the freehold investment property. The trustees have appointed Carter Jonas LLP, professional chartered surveyors, to manage the properties. The trustees have also considered the variability of the investment performance of the share portfolios. This is mitigated by retaining professional investment managers and having a diversified investment policy.

The trustees' report was approved by the Board of Trustees.

Mr P C Cookson
Trustee



22 June 2023

THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

I report to the trustees on my examination of the financial statements of The Herd Lawson and Muriel Lawson Charitable Trust (the trust) for the year ended 5 April 2023.

Responsibilities and basis of report

As the trustees of the trust you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the trust's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the trust as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Darren Little FCA

Saint & Co Chartered Accountants
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

Dated: 22 June 2023

THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 5 APRIL 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Income from:</u>			
Donations and legacies	3	1,000	6,500
Charitable activities	4	228,316	234,286
Investments	5	15,857	10,052
Total income		245,173	250,838
<u>Expenditure on:</u>			
Charitable activities	6	271,901	257,033
Net gains/(losses) on investments	11	837,570	7,674
Net movement in funds		810,842	1,479
Fund balances at 6 April 2022		2,106,886	2,105,407
Fund balances at 5 April 2023		2,917,728	2,106,886

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

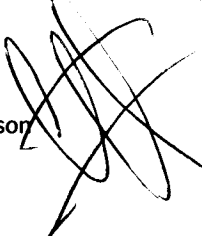
STATEMENT OF FINANCIAL POSITION

AS AT 5 APRIL 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investment property	13		1,744,181		1,302,372
Investments	14		929,406		608,575
			<u>2,673,587</u>		<u>1,910,947</u>
Current assets					
Debtors	15	45,130		27,174	
Cash at bank and in hand		211,705		182,015	
		<u>256,835</u>		<u>209,189</u>	
Creditors: amounts falling due within one year	16	(12,694)		(13,250)	
Net current assets			<u>244,141</u>		<u>195,939</u>
Total assets less current liabilities			<u>2,917,728</u>		<u>2,106,886</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	17	69,997		100,563	
General unrestricted funds		<u>2,847,731</u>		<u>2,006,323</u>	
			<u>2,917,728</u>		<u>2,106,886</u>
			<u>2,917,728</u>		<u>2,106,886</u>

The financial statements were approved by the Trustees on 22 June 2023

Mr P C Cookson
Trustee



THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2023

1 Accounting policies

Charity information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 14 Church Street, Ambleside, Cumbria, LA22 0BT.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The trust is a Public Benefit Entity as defined by FRS 102.

The trust has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

1 Accounting policies

(Continued)

The following specific policies are applied to particular categories of income:

- Income is represented by investment income receivable and rent collected from tenants of Central Buildings and Bridge Street, Ambleside.
- Dividends are included on a receipts basis, whilst bank and building society interest is included on an accruals basis.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Charitable distributions are decided by trustees at a general meeting and payment is then made to the charitable institutions.

1.6 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Derecognition of financial liabilities

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

2 Critical accounting estimates and judgements

In the application of the trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Donations and gifts	1,000	6,500
Donations and gifts		
Chiltern Charitable Trust	1,000	1,000
The Henry Herd Charitable Trust	-	5,500
	1,000	6,500

4 Charitable activities

	Property rental 2023 £	Property rental 2022 £
Charitable rental income	228,316	234,286

5 Investments

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Dividend income receivable	11,324	9,931
Interest receivable	4,533	121
	15,857	10,052

THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

6 Charitable activities

	Property rental expenditure 2023 £	Investment portfolio expenditure 2023 £	Total 2023 £	Property rental expenditure 2022 £	Investment portfolio expenditure 2022 £	Total 2022 £
General repairs and maintenance	70,775	-	70,775	22,620	-	22,620
Property insurance	24,657	-	24,657	22,318	-	22,318
Property management fees	35,878	-	35,878	36,880	-	36,880
Legal fees	1,248	-	1,248	210	-	210
Portfolio management	-	6,256	6,256	-	7,288	7,288
	<u>132,558</u>	<u>6,256</u>	<u>138,814</u>	<u>82,028</u>	<u>7,288</u>	<u>89,316</u>
Grant funding of activities (see note 7)	120,500	-	120,500	155,500	-	155,500
Share of support costs (see note 8)	10,667	-	10,667	10,297	-	10,297
Share of governance costs (see note 8)	1,920	-	1,920	1,920	-	1,920
	<u>265,645</u>	<u>6,256</u>	<u>271,901</u>	<u>249,745</u>	<u>7,288</u>	<u>257,033</u>

THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

7 Grants payable

	Property rental expenditure 2023 £	Property rental expenditure 2022 £
Grants to institutions:		
British Red Cross	30,000	37,500
World Wide Fund for Nature	30,000	37,500
Christian Workers Relief Fund	22,800	28,900
Hospice at Home West Cumbria	15,600	19,800
Hospice of St Mary of Furness	10,800	13,800
Spring Mount Christian Fellowship	3,600	4,500
Ambleside Welfare Charity	3,600	4,500
Sight Advice South Lakes	2,400	3,000
Sandhills Lane Christian Brethren Church	1,200	1,500
Parr Street, Evangelical Church	-	4,500
Cumbria Wildlife Trust	500	-
	<u>120,500</u>	<u>155,500</u>

8 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Staff costs	5,504	-	5,504	5,503	-	5,503
Office heat and light	1,059	-	1,059	629	-	629
Insurance	1,590	-	1,590	1,022	-	1,022
Accountancy fees	1,378	-	1,378	2,038	-	2,038
Cost of meetings	58	-	58	38	-	38
Telephone	485	-	485	658	-	658
Other office costs	442	-	442	259	-	259
Stationery, postages and IT support	151	-	151	150	-	150
Audit fees	-	1,920	1,920	-	1,920	1,920
	<u>10,667</u>	<u>1,920</u>	<u>12,587</u>	<u>10,297</u>	<u>1,920</u>	<u>12,217</u>
Analysed between Charitable activities	<u>10,667</u>	<u>1,920</u>	<u>12,587</u>	<u>10,297</u>	<u>1,920</u>	<u>12,217</u>

THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the trust during the year.

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	1	1
	<u>1</u>	<u>1</u>
Employment costs	2023	2022
	£	£
Wages and salaries	5,504	5,503
	<u>5,504</u>	<u>5,503</u>

There were no employees whose annual remuneration was more than £60,000.

11 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Revaluation of investments	(79,169)	7,674
Revaluation of investment properties	497,628	-
Gain/(loss) on sale of investment properties	419,111	-
	<u>837,570</u>	<u>7,674</u>

During the year a long term rental property was disposed of by the trustees, The £419,111 gain on sale relates to the trust receiving proceeds in excess of the valuation of the property held in the charity's balance sheet which are under a net rental basis.

Before the long term rental property was disposed the trustees obtained an updated valuation of the properties held in the charity's balance sheet under the net rental basis. This led to an increase in the balance sheet value of £497,628 to £1,800,000 overall prior to the disposal.

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

13 Investment property

	2023 £
Fair value	
At 6 April 2022	1,302,372
Disposals	(55,819)
Net gains or losses through fair value adjustments	497,628
At 5 April 2023	<u>1,744,181</u>

The freehold property is treated as an investment property and is included at fair value.

The property in Central Buildings and Bridge Street, Ambleside was transferred on 05 April 2006 from The Henry Herd Charitable Trust and The Muriel Lawson 1983 Charitable Trust.

In the opinion of the trustees, assisted by information from Mr Oliver Bateman MRICS FAAV from Carter Jonas who is independent of the charitable trust, the value of the trust's freehold investment property at 06 April 2022 was £1,800,000 an increase on the previous valuation at 05 April 2018 which was £1,302,372. The basis of the valuation of the investment properties was a Net Rental Basis to get an open-market valuation, subject to the existing tenancies and leases.

At the end of the current financial year end, in the opinion of the trustees, the value is unchanged from the valuation at the start of the financial year after taking into account the disposal of Rose Cottage which was included in the original valuation at £55,819.

	2023 £	2022 £
Freehold	1,744,181	1,302,372
Long leasehold	-	-
Short leasehold	-	-
	<u>1,744,181</u>	<u>1,302,372</u>

THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

14 Fixed asset investments

	Investment portfolio £
Cost or valuation	
At 6 April 2022	608,575
Fair value movements	(79,169)
Change in cash held on portfolio	400,000
	<hr/>
At 5 April 2023	929,406
	<hr/>
Carrying amount	
At 05 April 2023	929,406
	<hr/>
At 05 April 2022	608,575
	<hr/>

Investments at fair value comprised: -

U.K. equities	504,065
Unit Trusts	25,341
Cash	400,000
	<hr/>
	929,406
	<hr/>

Investments in individual entities held at 5 April 2023 which are over 5% of the portfolio by value are:

Herald Investment Trust	46,277
Scottish Mortgage Investment Trust	43,697
JP Morgan Global Growth & Income	36,960
Fund Smith LLP Equity	33,077
	<hr/>
	160,011
	<hr/>

All investments are held to provide an investment return for the charity.

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	38,384	21,163
Prepayments and accrued income	6,746	6,011
	<hr/>	<hr/>
	45,130	27,174
	<hr/>	<hr/>

THE HERD LAWSON AND MURIEL LAWSON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,600	1,700
Other creditors	7,555	8,026
Accruals and deferred income	3,539	3,524
	<u>12,694</u>	<u>13,250</u>

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 6 April 2021 £	Resources expended £	Transfers £	Balance at 6 April 2022 £	Resources expended £	Transfers £	Balance at 5 April 2023 £
Painting reserve	60,000	-	15,000	75,000	(57,566)	15,000	32,434
Extraordinary repairs reserve	18,357	(4,794)	12,000	25,563	-	12,000	37,563
	<u>78,357</u>	<u>(4,794)</u>	<u>27,000</u>	<u>100,563</u>	<u>(57,566)</u>	<u>27,000</u>	<u>69,997</u>

The specific purposes for which funds are to be applied are as follows:

General funds

Funds are to there to be available to provide a productive return over time in support of the trust's aims.

Designated fund - painting reserve

Funds are reserved each year so that resources are available to meet the cost of painting the trusts properties which is undertaken every 6 years.

Designated fund - extraordinary repairs reserve

Funds are reserved each year so that sufficient resources are available to meet the costs of extraordinary repairs arising on the trust's properties.

18 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).