

Registered number: 07168674
Charity number: 1134729

THE EAST MALLING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE EAST MALLING TRUST
(A company limited by guarantee)

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THE EAST MALLING TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the audited financial statements of the group and the company for the 1 April 2022 to 31 March 2023. The directors confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Structure

The East Malling Trust (The Trust) is a company limited by guarantee and a registered charity (no 1134729).

The Trust was incorporated on 24 February 2010 and is governed by its Memorandum and Articles of Association.

The Trust had, during the year, two directly wholly owned subsidiary companies in East Malling Limited (EML), which carries out commercial activities on the East Malling Estate, and Bradbourne House Limited (BHL is a dormant company).

Company registered number

07168674

Charity registered number

1134729

Registered office

Bradbourne House
East Malling
West Malling
Kent
ME19 6DZ

Trustees

Dr O P Doubleday (Chairman)
Professor J D Mumford (deceased 29th December 2022)
Miss Allis Beasley
Mr Kevin Attwood
Dr Jonathan Knight
Mr Tim Chambers
Dr Celia Caulcott
Ms Nimisha Raja
Mr Keith Newman
Mr Robert James (appointed 30th June 2023)

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Management

Control and direction of the Trust is exercised by the Board of Trustees who has adopted a comprehensive internal governance framework for the fulfilment of its charitable objectives, in which the responsibility is clearly allocated as follows:

- Strategic leadership through the Board of Trustees
- Operational running of the East Malling Estate and business activities by the Director and senior staff

The day to day management of the Charity is delegated by the board to the Executive and carried out by Ms Karyn Hood.

Company secretary

K M Hood

Trustee Effectiveness

Following their appointment to the board, each trustee is given a complete briefing on the Trust's governance arrangements, objectives and activities. A pack containing the Charity Governance code and the Charity Commission Trustee guidance is also provided.

The Trustees are leading members of the horticulture, research, business, political and academic sectors. New Trustees are elected by agreement of the Board, so as to maintain a balance of relevant experience available to the board.

Trustee Board meetings are held to review the operations and strategy.

Charity Governance Code

The new Charity Governance Code was published in July 2017 with the support of the Charity Commission for England and Wales. The Code is a practical tool to help trustees achieve high standards of governance. The Code has seven basic principles: organizational purpose; leadership; integrity; decision making, risk and control; board effectiveness; diversity; openness and accountability. It sets out both core outcomes, and recommended practices.

The Trustees and Management have reviewed the Code and strongly support the seven principles. The Trust have a written assessment for the code detailing each recommended practice, evidencing our compliance and noting areas for improvement. We are pleased to report that The East Malling Trust have undertaken a full governance review, conducted by Furley Page. This report confirmed best practice in many areas met the Charity Commission guidelines. They also noted some areas for improvement in light of the Charities Act 2022.

PROFESSIONAL ADVISERS

Independent auditor

Crowe U.K LLP, Riverside House, 40 46 High Street, Maidstone, Kent, ME14 1JH

Bankers

Handelsbanken, 4th Floor, Riverside House, 40 46 High Street, Maidstone, Kent, ME14 1JH

Solicitors

Brachers, Somerfield House, 59 London Road, Maidstone, Kent, ME16 8JH

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the trust's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Oversight of remuneration

All staff are covered by the same remuneration policy which is reviewed by external benchmarking. The remuneration policy is approved by the board and subject to periodic review. To ensure clear governance and transparency, the remuneration of the CEO is overseen by the Chair of the Board and Chair of the Finance and General Purpose committee.

Risk Management

In response to the recommendations set out in the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the trustees consider the risk register on a regular basis. The Trustees review the risks faced by The Trust and agree a programme to manage the identified risks.

The principle risks and uncertainties faced by The Trust are as follows:

Ability for The Trust's remaining trading subsidiary East Malling Limited to become profitable. Operations are outsourced to third parties to mitigate this risk and East Malling Limited in the current year has generated a profit.

Ability of The Trust to generate trading surpluses at an adequate level which will enable it to make significant future grants to NIAB and other horticultural research charities and organisations. Careful management of the Trust's property and business strategy mitigates this risk.

The Trustees do not consider that the risks listed above or any others will impact on its reserves in the immediate future.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

The Trust's objectives as set out in the Memorandum and Articles of Association are

- The advancement of science for public benefit, primarily through the support of research and
- Fulfilling the duty of care to Bradbourne House, a Grade 1 listed building including its heritage and

The Trustees have agreed that the role of the Trust should be more broadly based than administration of assets and have defined The Trust's strategic objectives as follows:

The dissemination of funds for research purposes

The allocation of funds is generally made by the Board, largely in support of research for the benefit of the perennial crops industry. During the year under review support was directed to NIAB an unrelated registered charity to underpin their horticultural research projects and secure the future of horticultural research in the UK.

Maintenance of reputation

To maintain its reputation of probity, good advice and involvement with the concerned horticultural industry, academia and the research sector through its actions as a charity and through the reputations and abilities of its individual Trustees.

Use of influence

To use its status as a body and that of its individual Trustees to highlight the national and local importance of horticultural research and its funding. This will involve periodic and structured discussions with senior political figures at national and county level e.g. Members of the House of Lords, Ministers, Members of Parliament and local government. It will also involve interactions with others involved at a senior level with research policy, funding and delivery, e.g. in the Research Councils.

Activities for the public good

To maintain a portfolio of activities that is seen to be sustaining the horticultural industry in general and its benefits to the community, health and the environment through the promotion and funding of horticultural research.

Development of strategic alliances

To assist, through its status in the industry, academia and business, in the development of strategic alliances that might prove beneficial to horticultural research in general and specific organisations in particular.

Utilisation of assets

To manage its financial assets in line with the agreed investment strategy. To develop and utilise its non financial assets to optimise, in the longer term, the generation of funds to support horticultural research. To manage its property assets, taking a longer term view.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Distribution of grants generally

To make grants in fulfilment of its objectives to a level which, over the long term, does not erode the asset base. In the short term, this principle may be varied in specific circumstances, provided that a longer term recovery can be foreseen.

Specific support for NIAB operations based at East Malling

To assist in the longer term development of NIAB, an unrelated charity. This may be through provision of additional funds for short term operational needs or projects and funding for longer term infrastructure improvement which benefit NIAB as tenants of the site. It may also include the provision of specific expertise and advice from individual Trustees and specific resources we are able to provide. Such support does not exclude support for research elsewhere.

The Trustees consider that The Trust's objectives are for the public benefit and that its activities, achievements and performance are entirely consistent with its objectives.

The key activities that arise from these objectives are:

Letting and maintenance of The Trust's property assets

The Trust ensures that net income from this activity is optimised and that the duties of care to the tenants and the Grade 1 listed building, Bradbourne House, are fulfilled. Day to day management of the property portfolio is delegated to managing agents, Savills. The overall objective is to maintain and develop a sustainable development plan for the estate and to ensure the estate is well managed to maintain overall income, appreciation levels and quality of assets.

ACHIEVEMENTS AND PERFORMANCE

The Trust makes grants each year to various beneficiaries in the world of horticultural research in line with its current charitable objectives. The main beneficiary of grants and support is the charity, NIAB.

During the year the Trust worked in collaboration with NIAB and in line with its charitable objective, grants and support costs were awarded totalling £418,244. The Directors award grant of £200,000 per annum for 5 years has, since inception on 31 October 2021, covered funding shortfalls on 18 UKRI projects. It has also helped fund early career researchers. UKRI data shows that the Trust funding has leveraged more than £5.7m of grant funding in research at the East Malling site. Through this funding the Trust supported 43 grower and commercial company partner interactions. Since 2022, highlights of the research from NIAB scientists have been shared with growers and the fruit supply chain through 36 trade press articles and 14 press releases. We pleased to report that the £6.7m ring fenced funds, allocated in the 2021-2022 year, for the construction of glasshouses, new laboratories, and offices saw the facilities completed in June 2022 and that the facilities are fully utilised. Aside from financial support, the trust worked closely with NIAB management on joint initiatives providing time, support and resources. NIAB Ltd is a division of NIAB Trust. The Trust engages with NIAB Limited and NIAB Trust to discuss and formulate future plans to ensure we deliver the best support to the science carried out on site.

Details of the activities of NIAB can be found on their website at www.niab.com.

The Trust has also made available its facilities to local charitable and community groups to enable and support them with their fund raising activities. This has included, The Larkfield Run. Land is provided on a nominal rent to a local charity Communigrow. This project enables local schools, vulnerable groups and community members to learn to grow produce and sell locally.

The Trust has a collection of historical materials relating to Bradbourne House and the History of East Malling Research. Investment has been made and is ongoing to collate and archive this material with the purpose of

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

preserving the history and enabling public access either through the public tours run or through our website.

The Trust's income is derived in part from its own resources in terms of property and previously financial investments but also through the operation of its commercial subsidiary, East Malling Limited.

During the year, East Malling Limited continued to outsource the events and catering business to Baxter Storey.

The performance of The Trust's current directly held subsidiary companies, the results of which are included in the consolidated report, are detailed below:

East Malling Limited

The Company's principal activities during the year under review were the operation of the Events and Catering business.

East Malling Limited made a profit for the year before and after tax of £31,740 (2021/22 - £34,077) and a gift aid payment to The Trust was not possible due to accumulated previous losses (2021/22 NIL).

At 31 March 2023 East Malling Limited had net liabilities of £151,444 and has a letter of support from The Trust (2021/22 - £183,184).

Events & Catering

For the period under review, operations income did not exceed the contracted minimum guarantee commission payment. The weddings have not bounced back fully but continued improvement will be shown in the upcoming financial year.

Bradbourne House Limited

Bradbourne House Limited is a dormant company.

At 31 March 2023 shareholders funds were £10,000 (£10,000 – 2021/22).

FUTURE DEVELOPMENTS

The Trust is working closely with NIAB to facilitate the achievement of their research business plan and to achieve a higher profile for the importance of horticultural research.

Over the next year The Trust will continue implementing and developing its property and business strategy to ensure it maximises its return on assets (both revenue and capital) to enable it to continue to fulfil its charitable objectives.

Land, surplus to research requirements, was identified on the estate for housing in line with the TMBC local plan process. The site was granted outline planning permission in spring 2021 with a sale completed in December 2021. A further site, surplus to research requirements, is in the process of assessment and a planning submission will be submitted during the year 2023-2024 with a view to bringing forward in 2024/2025. Any capital receipts likely will be reinvested into The Trusts assets. This will include development of new scientific facilities, upgrading of site infrastructure and considered investment to produce an ongoing income for charitable activities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

GOING CONCERN

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements.

The Trustees have given due consideration to the current economic climate and the effect on The East Malling Trust. They have reviewed Budgets and Cash flow and are satisfied that it will not affect the ability of the Trust to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

FINANCIAL REVIEW

Results

The principal accounting policies adopted for the period are detailed in note 1 to the accounts. The results and reserves of each subsidiary are given in the achievements and performance section of this report.

In the year, the total consolidated incoming resources of £2,665,308 (£12,911,497 - 2021/2022) was exceeded by total consolidated expenditure of £2,960,768 (£2,489,479 - 2021/2022) by £295,460 (income exceeded expenditure by £10,422,018 in 2021/22).

Net cash outflow during the year was £8,913,212 (inflow of £14,437,714 – 2021/22). The net funds at 31 March 2023 were £11,908,954 (£20,822,166 - 2021/22).

RESERVES POLICY

The Trustees set the level of reserves so as to protect against unanticipated drops in income and to allow The Trust some flexibility to take advantage of new unforeseen opportunities. In order to meet this policy the Trustees concluded that they require free reserves equivalent to three to twelve months of forecast operating expenses.

Based on current strategy and forecasts in the short to medium term the Group is unlikely to generate a significant increase in reserves from operations. Additional free reserves post 31 March 2023 will only be realised from asset sales and exceptional items. The majority of the Group's revenue is derived from letting of property on the East Malling site. In setting the level of free reserves required the Trustees considered the following:

Income

Loss of rental income from a large tenant or several tenants. The loss of rental income from a business interruption event is insured. This loss would only materialise if a major tenant's business failed; a number of tenants with short notice periods vacated their properties at the same time or major repairs were required which necessitated vacation of properties.

Contingent costs

Legal and professional fees or capital purchases required to take advantage of unforeseen opportunities to enhance the property or business portfolio and increase its future value.

Unplanned capital expenditure for a major repair or replacement that was not viable to fund via loan finance.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Grant commitments

As at 31 March 2023 the consolidated group reserves were £74,619,478 (£74,282,816 in 2022) of which, free reserves were £38,755,028 (£44,107,663 in 2022) equivalent to 13 years operating expenses for the newly structured operations (2022 – 17.75 years). The free reserves represent total reserves less the value of tangible fixed assets and investment properties.

INFORMATION ON FUNDRAISING PRACTICES

All the Trust's income is derived from management of its assets. The charity does not raise any funds from direct fundraising.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the group's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the group's auditor in connection with preparing have report and to establish that the group's auditor is aware of that information.

AUDITOR

The auditors, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by order of the members of the board of Trustees on 23 November 2023

and signed on their behalf by



Dr O Doubleday
Chairman

THE EAST MALLING TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EAST MALLING TRUST

Opinion

We have audited the financial statements of The East Malling Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent charitable company'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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EAST MALLING TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 Group's and the parent charitable company'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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EAST MALLING TRUST (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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 an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and SORP 2015.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- enquiry of management and review and inspection of relevant correspondence;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EAST MALLING TRUST (CONTINUED)



Ian Weekes (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Riverside House

40 - 46 High Street

Maidstone

Kent

ME14 - 1JH

Date:

17th January 2024

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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

| | Note | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|------|------------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | |
| Charitable activities | 4 | 136,093 | 136,093 | 118,158 |
| Other trading activities | 5 | 115,380 | 115,380 | 116,133 |
| Investments | 6 | 2,413,835 | 2,413,835 | 12,677,206 |
| Total income | | 2,665,308 | 2,665,308 | 12,911,497 |
| Expenditure on: | | | | |
| Raising funds | 7 | 2,154,780 | 2,154,780 | 1,886,057 |
| Charitable activities | 8 | 805,988 | 805,988 | 603,422 |
| Total expenditure | | 2,960,768 | 2,960,768 | 2,489,479 |
| Net movement in funds before other recognised gains/(losses) | | (295,460) | (295,460) | 10,422,018 |
| Other recognised gains/(losses): | | | | |
| Gains on revaluation of fixed assets | | 574,249 | 574,249 | - |
| Net movement in funds | | 278,789 | 278,789 | 10,422,018 |
| Reconciliation of funds: | | | | |
| Total funds brought forward | | 74,340,689 | 74,340,689 | 63,918,671 |
| Net movement in funds | | 278,789 | 278,789 | 10,422,018 |
| Total funds carried forward | | 74,619,478 | 74,619,478 | 74,340,689 |

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 35 form part of these financial statements.

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REGISTERED NUMBER: 07168674

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

| | Note | 2023 £ | 2022 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 6,141,839 | 5,307,157 |
| Investments | 14 | 15,074,851 | - |
| Investment property | 13 | 29,722,611 | 24,867,575 |
| | | <u>50,939,301</u> | <u>30,174,732</u> |
| Current assets | | | |
| Stocks | 15 | 11,360 | 11,356 |
| Debtors | 16 | 13,006,674 | 25,373,172 |
| Cash at bank and in hand | | 11,908,954 | 20,822,166 |
| | | <u>24,926,988</u> | <u>46,206,694</u> |
| Creditors: amounts falling due within one year | 17 | (746,811) | (1,540,737) |
| Net current assets | | <u>24,180,177</u> | <u>44,665,957</u> |
| Total assets less current liabilities | | <u>75,119,478</u> | <u>74,840,689</u> |
| Creditors: amounts falling due after more than one year | 18 | (500,000) | (500,000) |
| Total net assets | | <u><u>74,619,478</u></u> | <u><u>74,340,689</u></u> |
| Charity funds | | | |
| Unrestricted funds | 19 | 74,619,478 | 74,340,689 |
| Total funds | | <u><u>74,619,478</u></u> | <u><u>74,340,689</u></u> |

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CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on
23 November 2023 and signed on their behalf by:



Dr O Doubleday

The notes on pages 19 to 35 form part of these financial statements.

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COMPANY BALANCE SHEET
AS AT 31 MARCH 2023

| | Note | 2023 £ | 2022 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 6,122,062 | 5,297,578 |
| Investments | 14 | 15,084,851 | 10,000 |
| Investment property | 13 | 29,722,611 | 24,867,575 |
| | | <u>50,929,524</u> | <u>30,175,153</u> |
| Current assets | | | |
| Stocks | 15 | 9,863 | 9,859 |
| Debtors | 16 | 12,986,850 | 25,339,889 |
| Cash at bank and in hand | | 11,867,130 | 20,801,571 |
| | | <u>24,863,843</u> | <u>46,151,319</u> |
| Creditors: amounts falling due within one year | 17 | (763,133) | (1,543,656) |
| Net current assets | | <u>24,100,710</u> | <u>44,607,663</u> |
| Total assets less current liabilities | | <u>75,030,234</u> | <u>74,782,816</u> |
| Creditors: amounts falling due after more than one year | 18 | (500,000) | (500,000) |
| Total net assets | | <u><u>74,530,234</u></u> | <u><u>74,282,816</u></u> |
| Charity funds | | | |
| Unrestricted funds | 19 | 74,530,234 | 74,282,816 |
| Total funds | | <u><u>74,530,234</u></u> | <u><u>74,282,816</u></u> |

THE EAST MALLING TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07168674

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The Company's net movement in funds for the year was £247,418 (2022 - £10,387,940).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on
23 November 2023

and signed on their behalf by:



Dr O Doubleday

The notes on pages 19 to 35 form part of these financial statements.

THE EAST MALLING TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

| | 2023 £ | 2022 £ |
|--|---------------------|--------------------|
| Cash flows from operating activities | | |
| Net cash generated/(used) in operating activities | 11,088,030 | (24,335,833) |
| Cash flows from investing activities | | |
| Dividends, interests and rents from investments | 113,047 | 9,244 |
| Purchase of tangible fixed assets | (387,011) | (32,116) |
| Proceeds from sale of investment properties | - | 40,877,044 |
| Purchase of investment properties | (4,784,720) | (12,775) |
| Purchase of fixed asset investments | (15,942,558) | - |
| Proceeds from sale of fixed asset investments | 1,000,000 | - |
| Net cash (used in)/provided by investing activities | (20,001,242) | 40,841,397 |
| Cash flows from financing activities | | |
| Repayments of borrowing | - | (2,067,850) |
| Net cash provided by/(used in) financing activities | - | (2,067,850) |
| Change in cash and cash equivalents in the year | (8,913,212) | 14,437,714 |
| Cash and cash equivalents at the beginning of the year | 20,822,166 | 6,384,452 |
| Cash and cash equivalents at the end of the year | 11,908,954 | 20,822,166 |

The notes on pages 19 to 35 form part of these financial statements

THE EAST MALLING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

East Malling Trust is a company limited by guarantee (registered number 07168674) which is incorporated and domiciled in England.

It is also registered as a charity with the Charity Commission (registered number 1134729). The address of the registered office is Bradbourne House, East Malling, West Malling, Kent, ME19 6DZ

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Income

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

Rental income is accounted for an accruals basis and is recognised as it becomes due.

Donations and sundry income received for the general purposes of the charity are accounted for on the date of notification and entitlement is established.

Outsourced service commission income is accounted for on an accruals basis and is recognised when it becomes due to East Malling Limited.

THE EAST MALLING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.3 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 allocated on the portion of the asset's use.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

THE EAST MALLING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.5 Tangible fixed assets and investment properties

Freehold property

The Trustees' policy is to revalue the company's freehold land and buildings.

A valuation of all the land and buildings at the East Malling site was carried out as at 31 March 2023.

Regular maintenance is carried out to all of the buildings at the East Malling site in order to keep the buildings at their current level of condition.

The Trustees review and consider the valuation at each reporting date to assess if there are indications of a material change in the valuation.

Freehold land is not depreciated.

Investment properties

The Trustees' policy is to revalue the company's investment properties.

A valuation of the land and buildings at the East Malling site was carried out as at 31 March 2020 and an updated assessment has been carried out by the Trustees in this financial year.

No depreciation is provided in respect of investment properties in accordance with section 16 of FRS 102 "Investment Property".

Antiques

An external valuation was carried out as at 31 March 2020 and an updated assessment has been carried out by the Trustees in this financial year. No depreciation is charged in respect of antiques on the grounds that the Directors consider that any charge would not be material by reference to the total assets of The Trust, due to the high residual value of the assets.

Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

THE EAST MALLING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.5 Tangible fixed assets and investment properties (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

| | |
|--------------------|-----------------------------|
| Freehold property | - See note above |
| Motor vehicles | - 25% reducing balance |
| Computer equipment | - 10%/20%/25% straight line |
| Antiques | - See note above |

2.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered.

2.9 Cash at bank and in hand

Cash at bank and 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.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.11 Financial instruments

The Group 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.

2.12 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

THE EAST MALLING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

3. Critical accounting estimates and areas of judgment

The Group may be required to make estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The principal areas where judgement was exercised are as follows:

- i) Tangible fixed assets: the trustees annually assess both the residual value of these assets and the expected useful life of such assets which is currently judged to be up to 15 years, based on experience.
- ii) Property valuations: freehold land and buildings and investment properties are revalued by Savills when the Trustees believe there has been a material change in value. Trustees assess on an annual basis the valuation of the properties. The value of the properties is estimated to be the open market value at the balance sheet date.
- iii) Recoverability of trade debtors: the trustees annually assess whether a bad debt provision is required for any bad or doubtful debtor balances.

THE EAST MALLING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. Income from charitable activities

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---------------------|------------------------------------|-----------------------------|-----------------------------|
| Short course income | 136,093 | 136,093 | 118,158 |

5. Income from other trading activities

Income from fundraising events

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|------------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Wedding and corporate event income | 101,889 | 101,889 | 82,196 |
| Other income | 13,491 | 13,491 | 33,937 |
| Total 2023 | 115,380 | 115,380 | 116,133 |

6. Investment income

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|------------------------------------|-----------------------------|-----------------------------|
| Rent and service charges from investment properties | 2,192,028 | 2,192,028 | 1,790,918 |
| Interest receivable | 113,047 | 113,047 | 9,244 |
| Dividends received from investments | 108,360 | 108,360 | - |
| Profit on disposal of fixed assets | 400 | 400 | 10,877,044 |
| | 2,413,835 | 2,413,835 | 12,677,206 |

THE EAST MALLING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7. Expenditure on raising funds

Costs of raising voluntary income

| | Unrestricted funds 2023 £ | Total funds 2023 £ | <i>Total funds 2022 £</i> |
|--|--|---------------------------------------|---------------------------------------|
| Wedding, conferencing and catering costs | 10,984 | 10,984 | 25,579 |
| Property manager costs | 232,258 | 232,258 | 107,761 |
| Estate management and maintenance costs | 1,385,538 | 1,385,538 | 1,157,615 |
| Overhead and administration costs | 497,744 | 497,744 | 578,399 |
| Depreciation | 28,256 | 28,256 | 16,703 |
| Total 2023 | <u><u>2,154,780</u></u> | <u><u>2,154,780</u></u> | <u><u>1,886,057</u></u> |

8. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2023 £ | Total 2023 £ | <i>Total 2022 £</i> |
|---|--|-----------------------------|-----------------------------|
| Horticultural Research Projects | 443,683 | 443,683 | 259,889 |
| Short course expenditure | 94,212 | 94,212 | 89,170 |
| Estate management and maintenance costs | 268,093 | 268,093 | 254,363 |
| | <u><u>805,988</u></u> | <u><u>805,988</u></u> | <u><u>603,422</u></u> |

THE EAST MALLING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. Auditor's remuneration

| | 2023 £ | <i>2022</i> £ |
|--|------------------|------------------|
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | 18,000 | <i>15,000</i> |
| Fees payable to the Company's auditor in respect of: Taxation compliance services | - | <i>1,870</i> |

10. Staff costs

| | Group 2023 £ | <i>Group 2022</i> £ |
|--|----------------------------|----------------------------|
| Wages and salaries | 466,456 | <i>396,422</i> |
| Social security costs | 40,059 | <i>34,889</i> |
| Contribution to defined contribution pension schemes | 16,317 | <i>27,783</i> |
| | 522,832 | <i>459,094</i> |

The average number of persons employed by the Company during the year was as follows:

| | Group 2023 No. | <i>Group 2022</i> No. |
|-----------------------------|------------------------------|------------------------------|
| Research and administration | 17 | <i>18</i> |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | Group 2023 No. | <i>Group 2022</i> No. |
|---------------------------------|------------------------------|------------------------------|
| In the band £70,001 - £80,000 | - | <i>1</i> |
| In the band £110,001 - £120,000 | 1 | <i>-</i> |

During the year the Group employed 1 key management personnel (1 – 2021/22). Remuneration and benefits received by key management personnel during the period of their employment in 2022/23 totalled £114,293 (2021/22 - £78,915).

During the year, a restructuring of the senior leadership team took place and as part of this restructuring, settlement agreements totalling £30,000 were paid by the charity.

THE EAST MALLING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

Trustees' expenses represents amounts paid or reimbursed relating to travelling and general meeting expenses. The total amount of trustee expenses for the year was £2,461 (2022 - £991).

12. Tangible fixed assets

Group

| | Freehold property £ | Motor vehicles £ | Computer equipment £ | Other fixed assets £ | Total £ |
|---------------------------|---------------------------|------------------------|----------------------------|----------------------------|------------|
| Cost or valuation | | | | | |
| At 1 April 2022 | 5,010,000 | 102,619 | 472,137 | 217,999 | 5,802,755 |
| Additions | - | 9,450 | 377,561 | - | 387,011 |
| Disposals | - | (7,500) | - | - | (7,500) |
| Transfers between classes | (440,000) | - | - | - | (440,000) |
| Revaluations | 920,000 | - | - | - | 920,000 |
| At 31 March 2023 | 5,490,000 | 104,569 | 849,698 | 217,999 | 6,662,266 |
| Depreciation | | | | | |
| At 1 April 2022 | - | 93,687 | 401,911 | - | 495,598 |
| Charge for the year | - | 4,619 | 27,710 | - | 32,329 |
| On disposals | - | (7,500) | - | - | (7,500) |
| At 31 March 2023 | - | 90,806 | 429,621 | - | 520,427 |
| Net book value | | | | | |
| At 31 March 2023 | 5,490,000 | 13,763 | 420,077 | 217,999 | 6,141,839 |
| At 31 March 2022 | 5,010,000 | 8,932 | 70,226 | 217,999 | 5,307,157 |

THE EAST MALLING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Tangible fixed assets (continued)

Company

| | Freehold property £ | Motor vehicles £ | Computer equipment £ | Other fixed assets £ | Total £ |
|---------------------------|---------------------------|------------------------|----------------------------|----------------------------|------------------|
| Cost or valuation | | | | | |
| At 1 April 2022 | 5,010,000 | 102,619 | 399,132 | 217,999 | 5,729,750 |
| Additions | - | 9,450 | 363,569 | - | 373,019 |
| Disposals | - | (7,500) | - | - | (7,500) |
| Transfers between classes | (440,000) | - | - | - | (440,000) |
| Revaluations | 920,000 | - | - | - | 920,000 |
| At 31 March 2023 | <u>5,490,000</u> | <u>104,569</u> | <u>762,701</u> | <u>217,999</u> | <u>6,575,269</u> |
| Depreciation | | | | | |
| At 1 April 2022 | - | 93,687 | 338,485 | - | 432,172 |
| Charge for the year | - | 4,619 | 23,916 | - | 28,535 |
| On disposals | - | (7,500) | - | - | (7,500) |
| At 31 March 2023 | <u>-</u> | <u>90,806</u> | <u>362,401</u> | <u>-</u> | <u>453,207</u> |
| Net book value | | | | | |
| At 31 March 2023 | <u>5,490,000</u> | <u>13,763</u> | <u>400,300</u> | <u>217,999</u> | <u>6,122,062</u> |
| At 31 March 2022 | <u>5,010,000</u> | <u>8,932</u> | <u>60,647</u> | <u>217,999</u> | <u>5,297,578</u> |

THE EAST MALLING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Investment property

Group and Company

| | Freehold investment property £ |
|---------------------------|---|
| Valuation | |
| At 1 April 2022 | 24,867,575 |
| Additions | 4,784,720 |
| Surplus on revaluation | (369,684) |
| Transfers between classes | 440,000 |
| At 31 March 2023 | <u>29,722,611</u> |

A valuation of all the land and buildings at the East Malling site was carried out as at 31 March 2023. by Savills plc.

14. Fixed asset investments

| | Listed investments £ |
|--------------------------|-------------------------------------|
| Group | |
| Cost or valuation | |
| Additions | 15,942,558 |
| Disposals | (1,000,000) |
| Revaluations | 23,933 |
| Share of profit/(loss) | 108,360 |
| At 31 March 2023 | <u>15,074,851</u> |
| Net book value | |
| At 31 March 2023 | <u>15,074,851</u> |

THE EAST MALLING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Fixed asset investments (continued)

| Company | Investments in subsidiary companies £ | Listed investments £ | Total £ |
|--------------------------|--|-------------------------------------|--------------------|
| Cost or valuation | | | |
| At 1 April 2022 | 10,000 | - | 10,000 |
| Additions | - | 15,942,558 | 15,942,558 |
| Disposals | - | (1,000,000) | (1,000,000) |
| Revaluations | - | 23,933 | 23,933 |
| Share of profit/(loss) | - | 108,360 | 108,360 |
| At 31 March 2023 | <u>10,000</u> | <u>15,074,851</u> | <u>15,084,851</u> |
| Net book value | | | |
| At 31 March 2023 | <u>10,000</u> | <u>15,074,851</u> | <u>15,084,851</u> |
| At 31 March 2022 | <u>10,000</u> | <u>-</u> | <u>10,000</u> |

THE EAST MALLING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

| Name | Company number | Registered office or principal place of business | Principal activity |
|----------------------|-----------------------|---|---|
| East Malling Limited | 05046509 | Shown on charity information page | Operation of conference and dining facilities |

| Class of shares | Holding | Included in consolidation |
|------------------------|----------------|----------------------------------|
|------------------------|----------------|----------------------------------|

| | | |
|----------|------|-----|
| Ordinary | 100% | Yes |
|----------|------|-----|

The financial results of the subsidiary for the year were:

| Name | Income £ | Expenditure £ | Profit/(Loss) for the year £ | Net assets £ |
|----------------------|---------------------|--------------------------|---|-------------------------|
| East Malling Limited | 109,000 | (77,260) | 31,740 | (151,444) |

15. Stocks

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|-------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Consumables | 11,360 | 11,356 | 9,863 | 9,859 |

THE EAST MALLING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. Debtors

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|-------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Due after more than one year | | | | |
| Other debtors | - | 12,358,878 | - | 12,358,878 |
| | - | 12,358,878 | - | 12,358,878 |
| Due within one year | | | | |
| Trade debtors | 285,294 | 192,654 | 265,470 | 159,371 |
| Other debtors | 12,721,380 | 12,821,640 | 12,721,380 | 12,821,640 |
| | <u>13,006,674</u> | <u>25,373,172</u> | <u>12,986,850</u> | <u>25,339,889</u> |

17. Creditors: Amounts falling due within one year

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Other loans | 100,000 | 100,000 | 100,000 | 100,000 |
| Trade creditors | 280,706 | 195,102 | 278,207 | 183,148 |
| Amounts owed to group undertakings | - | - | 30,190 | 28,928 |
| Corporation tax | 7,468 | 8,951 | - | - |
| Other taxation and social security | 15,099 | 36,068 | 12,403 | 31,255 |
| Other creditors | 343,538 | 1,200,616 | 342,333 | 1,200,325 |
| | <u>746,811</u> | <u>1,540,737</u> | <u>763,133</u> | <u>1,543,656</u> |

Other loans are unsecured and are interest free and is considered to be public benefit concessionary loan as defined by FRS 102.

18. Creditors: Amounts falling due after more than one year

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|-------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Other loans | <u>500,000</u> | <u>500,000</u> | <u>500,000</u> | <u>500,000</u> |

THE EAST MALLING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. Statement of funds

Statement of funds - current year

| | Balance at 1 April 2022 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 March 2023 £ |
|---------------------------|---------------------------------|-------------|------------------|-------------------------|-------------------------------------|
| Unrestricted funds | | | | | |
| Unrestricted funds | 74,340,689 | 2,665,308 | (2,960,768) | 574,249 | 74,619,478 |

Statement of funds - prior year

| | Balance at 1 April 2021 £ | Income £ | Expenditure £ | Balance at 31 March 2022 £ |
|---------------------------|---------------------------------|-------------|------------------|-------------------------------------|
| Unrestricted funds | | | | |
| Unrestricted funds | 63,918,671 | 12,911,497 | (2,489,479) | 74,340,689 |

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2023 £ | Total funds 2023 £ |
|-------------------------------------|------------------------------------|-----------------------------|
| Tangible fixed assets | 6,141,839 | 6,141,839 |
| Fixed asset investments | 15,074,851 | 15,074,851 |
| Investment property | 29,722,611 | 29,722,611 |
| Current assets | 24,926,988 | 24,926,988 |
| Creditors due within one year | (746,811) | (746,811) |
| Creditors due in more than one year | (500,000) | (500,000) |
| Total | 74,619,478 | 74,619,478 |

THE EAST MALLING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | <i>Unrestricted funds 2022 £</i> | <i>Total funds 2022 £</i> |
|--------------------------------------|--|---------------------------------------|
| Tangible fixed assets | 5,307,157 | 5,307,157 |
| Investment property | 24,867,575 | 24,867,575 |
| Debtors due after more than one year | 12,358,878 | 12,358,878 |
| Current assets | 33,847,816 | 33,847,816 |
| Creditors due within one year | (1,540,737) | (1,540,737) |
| Creditors due in more than one year | (500,000) | (500,000) |
| Total | 74,340,689 | 74,340,689 |

21. Reconciliation of net movement in funds to net cash flow from operating activities

| | Group 2023 £ | Group 2022 £ |
|--|-----------------------------|-----------------------------|
| Net income/expenditure for the year (as per Statement of Financial Activities) | (295,460) | 10,422,018 |
| Adjustments for: | | |
| Depreciation charges | 32,329 | 19,700 |
| Dividends, interests and rents from investments | (221,407) | (9,244) |
| Loss/(profit) on the sale of fixed assets | - | (10,877,044) |
| Decrease/(increase) in stocks | (4) | 701 |
| Decrease/(increase) in debtors | 12,366,498 | (18,180,088) |
| Decrease in creditors | (793,926) | (5,711,876) |
| Net cash provided by/(used in) operating activities | 11,088,030 | (24,335,833) |

THE EAST MALLING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

22. Analysis of cash and cash equivalents

| | Group 2023 £ | <i>Group 2022 £</i> |
|--|-----------------------------|-----------------------------|
| Cash in hand | 11,908,954 | <i>20,822,166</i> |
| Total cash and cash equivalents | 11,908,954 | <i>20,822,166</i> |

23. Analysis of changes in net debt

| | At 1 April 2022 £ | Cash flows £ | At 31 March 2023 £ |
|--------------------------|----------------------------------|-------------------------|-----------------------------------|
| Cash at bank and in hand | 20,822,166 | (8,913,212) | 11,908,954 |
| Debt due within 1 year | (100,000) | - | (100,000) |
| Debt due after 1 year | (500,000) | - | (500,000) |
| | 20,222,166 | (8,913,212) | 11,308,954 |

24. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £16,317 (2022 - £27,783). Contributions totalling £4,829 (2022 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

25. Related party transactions

During the year The East Malling Trust charged East Malling Limited rent of £44,000 (2022 - £36,300). As at 31 March 2023, East Malling Limited owed The East Malling Trust £220,181 (2022 - £225,151).

26. Controlling party

The East Malling Trust is a registered Charity, limited by guarantee. It is controlled by the Board of Trustees.