

COMPANY REGISTRATION NUMBER: 07332233

CHARITY REGISTRATION NUMBER: 1143128

NARTM

Company Limited by Guarantee

FINANCIAL STATEMENTS

31 JULY 2022

FORTUS AUDIT LLP

Chartered Accountants & Statutory Auditor

31 High View Close

Hamilton Office Park

LEICESTER

Leicestershire

LE4 9LJ

NARTM
COMPANY LIMITED BY GUARANTEE
TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)
YEAR ENDED 31 JULY 2022

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 July 2022.

Reference and Administrative Details

Registered charity name	NARTM
Charity registration number	1143128
Company registration number	07332233
Principal office and registered office	Museum of Transport Boyle Street Cheetham MANCHESTER M8 8UW

The Trustees

Mr R W Bignell
Dr C J Billington
Mr S A Gill
Mrs K J Jefford
Mr L J Powell
Mr D R Stubbins
Mr D J Talbot
Mr G Tormey
Mr I J Wiggett

Company Secretary Mr D R Stubbins

Auditor Fortus Audit LLP
Chartered Accountants & Statutory Auditor
31 High View Close
Hamilton Office Park
LEICESTER
Leicestershire
LE4 9LJ

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 2 August 2010 and registered as a charity on 27 July 2011. The company was established under a Memorandum and Articles of Association on incorporation.

NARTM
COMPANY LIMITED BY GUARANTEE
TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)
(continued)
YEAR ENDED 31 JULY 2022

Structure, Governance and Management *(continued)*

Organisation

The NARTM board of directors, who are all trustees, is elected by its members, and consists of persons from member organisations who have many years' experience and give their time, advice and resources freely.

Officers appointed by the board include Chairman, Deputy Chairman, Secretary and Treasurer. Other officers look after Membership, Database, Policies & Procedures, Public Affairs, "Newslink," Museums Liaison and Website. The Board meets periodically between the members' meetings to progress new initiatives and respond to consultations on proposed legislation changes.

Objectives and Activities

Purpose

For the benefit of the public:-

To improve the efficient and effective fulfillment by road transport heritage charities of their objects; To promote the efficient application of resources for charitable purposes by non-charitable institutions, organisations and individuals especially those connected with the protection, preservation, restoration, enhancement and historic study and research of road transport heritage;

The advancement of education of the public:-

In relation to the historic development of road transport in the United Kingdom; By promoting and encouraging public access to, study and appreciation of historic road transport vehicles and associated relics and archives;

History

NARTM was formed over 40 years ago, bringing together folk who had as individuals or as a small group taken the initiative to care for examples of their local public transport heritage. A key role of NARTM is to support the continuity of care of this heritage as society changes and the pioneers are no longer as active as they were.

For a number of years NARTM was an informal organisation with the primary role of a forum to enable members to share ideas, experience and know-how through its meetings and quarterly newsletter. During more recent years there have been many changes in the heritage sector, not least the advent of the Museum Accreditation Scheme, now administered by Arts Council England, and the National Lottery Heritage Fund ("NLHF"), both of which organisations have had a very positive impact on transport heritage as a whole. In order to be able to take advantage of this opportunity NARTM member organisations, many of which are run on a voluntary basis, have sought to become more professional and formal in the way they are constituted and managed.

NARTM has been instrumental in this change, representing members' interests to the NLHF and Government Departments, sharing information on management skills, policies and procedures leading in some cases to formal museum accreditation and helping new members to develop their own organisations.

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COMPANY LIMITED BY GUARANTEE
TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)
(continued)
YEAR ENDED 31 JULY 2022

Objectives and Activities *(continued)*

History *(continued)*

NARTM membership has risen very rapidly from around 20 a few years ago to almost 100 currently and represents the full spectrum from large public sector museums with full time staff such as the London Transport Museum to smaller volunteer run charities and museums, as well as individuals' private collections. Between them they hold over 3,000 historic vehicles.

NARTM has compiled a database of known buses, coaches, trolleybuses and trams in preservation in the four countries of the UK. It gives an indication as to their condition and, where agreed with the owner, their location. This is updated regularly from information from its member organisations and other private owners.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aims, objectives and activities remain focused on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set

Achievements and Performance

As the country slowly emerged from the Covid-19 Pandemic through the financial year, NARTM began to see a return to normal as members opened up their museums and collections to the public once again and restoration activities restarted. This meant that membership fees were collected during the year, but no formal face to face meetings were held, instead we stayed with the Zoom format for a second year.

Newslink continued to be published as usual, and a new leaflet was produced for 2022. However, as members have had a difficult time through Covid-19, we did not ask for donations to cover the cost of the leaflet, consequently the full cost of the leaflet (£1329) was borne by NARTM. Other areas of overhead expenditure returned to more normal levels.

During the year we have been very fortunate in receiving a large legacy following the death of a member, Neil Millington. Most of the new funds have been placed in the hands of Evelyn Partners who deal with the various investments and shareholdings on our behalf. We chose Evelyn Partners (formerly Smith and Williamson) due to their beneficial experience in dealing with a major heritage railway trust.

There have been legal costs relating to the legacy, part of which was originally contested, and these amount to almost £8500 in this financial year.

So far, we have been able to make one grant, this being a donation of £50,000 to The Bus Archive, which helped them to complete their target of raising £300,000 to purchase and fit out their new premises at Droitwich.

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COMPANY LIMITED BY GUARANTEE
TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)
(continued)
YEAR ENDED 31 JULY 2022

Financial Review

The Income & Expenditure Account for the previous year, 2020/21, was badly affected by the Covid-19 pandemic, but in 2021/22, the results on normal operations were much better, with a small operating deficit (£142). Subscription income returned to the usual modest level. The 'holiday' in subscriptions last year, due to inactivity caused by Covid-19, meant there was no Gift Aided income that year and therefore nothing to be claimed from HMRC.

The only other operating income related to interest on savings, at a very low level due to interest rates being low, and donations which added £120.

As noted above we have been very fortunate in receiving a large legacy following the death of a member, Neil Millington, and the transactions surrounding this are shown together, near the bottom of the Income & Expenditure Account. Most of the new funds have been placed in the hands of Evelyn Partners who deal with the various investments and shareholdings on our behalf. These have resulted in receipts of dividends and interest received, though there has been a net reduction in value of the investments following falls in the Stock Market with the crisis in the Ukraine. However, the investments are there for the long term and are expected to increase over time. Because of the size of the income figures this year, we need to have a full audit to satisfy the rules relating to the filing of accounts and the Charity Commission, hence the provision for the audit fee.

After the donation to The Bus Archive, the surplus for the year is £2,303,315, and this is transferred into our Accumulated Funds.

Turning to the Balance Sheet, the main change is that we now have investments totalling £2,217,930, shown at market value on 31st July 2022. There are also healthy balances at the bank and a low level of amounts owing to us, shown as debtors. Creditors include subscriptions paid in advance for next year and include accruals for expenses yet to be incurred.

Accumulated Funds now stand at £2,298,468, after having increased Designated Funds by £10,000 to £26,000, which are planned to be used to assess and prioritise the existing (and desirable) restored buses in the UK, with a view to preparing a Guide to the National Collection. This activity had already been started but has been seriously held up by restrictions on travel due to the Covid-19 shutdowns; this will resume as soon as is practically possible.

The trustees have examined the requirement for free reserves which are those unrestricted funds not invested in fixed assets, or otherwise committed. The trustees consider that this should be at a level which would cover the administration and management, including six-monthly conferences for the year, in the event of no income being received. The expenditure on such items (pre Covid-19) was approximately £5,000 per annum.

Trustees' Responsibilities Statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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COMPANY LIMITED BY GUARANTEE
TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)
(continued)
YEAR ENDED 31 JULY 2022

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable 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 charity will continue in business.

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

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 28 October 2022 and signed on behalf of the board of trustees by:



Mr D J Talbot
Trustee

NARTM
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NARTM
YEAR ENDED 31 JULY 2022

Opinion

We have audited the financial statements of NARTM (the 'charitable company') for the year ended 31 July 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2022 and of its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

NARTM
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NARTM *(continued)*
YEAR ENDED 31 JULY 2022

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on Which We are Required to Report by Exception

In the light of the 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 Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare the Report of the Trustees.

NARTM
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NARTM *(continued)*
YEAR ENDED 31 JULY 2022

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

We understood how the charitable company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the charitable company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

NARTM
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NARTM *(continued)*
YEAR ENDED 31 JULY 2022

Other Matters Which We are Required to Address

The corresponding figures are unaudited as the charitable company was exempt from an audit in the year ended 31 July 2021.

Use of Our Report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Richard Buckby (Senior Statutory Auditor)

For and on behalf of
Fortus Audit LLP
Chartered Accountants & Statutory Auditor
31 High View Close
Hamilton Office Park
LEICESTER
Leicestershire
LE4 9LJ

01 Nov 2022

NARTM
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 JULY 2022

		2022		2021
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
Income and endowments				
Donations and legacies	5	2,452,720	2,452,720	446
Charitable activities	6	—	—	150
Investment income	7	16,702	16,702	36
Total income		<u>2,469,422</u>	<u>2,469,422</u>	<u>632</u>
Expenditure				
Expenditure on charitable activities	8,9	72,588	72,588	5,165
Total expenditure		<u>72,588</u>	<u>72,588</u>	<u>5,165</u>
Net income/(expenditure)		<u>2,396,834</u>	<u>2,396,834</u>	<u>(4,533)</u>
Other recognised gains and losses				
Net gains/(losses) on investments		(93,519)	(93,519)	—
Net movement in funds		2,303,315	2,303,315	(4,533)
Reconciliation of funds				
Total funds brought forward		21,153	21,153	25,686
Total funds carried forward		<u>2,324,468</u>	<u>2,324,468</u>	<u>21,153</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 13 to 20 form part of these financial statements.

NARTM
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL POSITION
31 JULY 2022

	Note	2022 £	£	2021 £	£
Fixed Assets					
Investments	15		2,217,930		—
Current Assets					
Debtors	16	25		—	
Cash at bank and in hand		113,233		22,408	
		113,258		22,408	
Creditors: Amounts Falling due Within One Year	17	6,720		1,255	
Net Current Assets			106,538		21,153
Total Assets Less Current Liabilities			2,324,468		21,153
Net Assets			2,324,468		21,153
Funds of the Charity					
Unrestricted funds			2,324,468		21,153
Total charity funds	18		2,324,468		21,153

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 28 October 2022, and are signed on behalf of the board by:



Mr D J Talbot
Trustee

The notes on pages 13 to 20 form part of these financial statements.

NARTM
COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS
YEAR ENDED 31 JULY 2022

	2022	2021
	£	£
Cash Flows from Operating Activities		
Net income/(expenditure)	2,396,834	(4,533)
<i>Adjustments for:</i>		
Dividends, interest and rents from investments	(16,644)	—
Other interest receivable and similar income	(58)	(36)
Accrued expenses	5,440	750
<i>Changes in:</i>		
Trade and other debtors	(25)	—
Trade and other creditors	25	40
Cash generated from operations	2,385,572	(3,779)
Interest received	58	36
Net cash from/(used in) operating activities	<u>2,385,630</u>	<u>(3,743)</u>
Cash Flows from Investing Activities		
Dividends, interest and rents from investments	16,644	—
Purchases of other investments	(2,320,059)	—
Proceeds from sale of other investments	8,610	—
Net cash used in investing activities	<u>(2,294,805)</u>	<u>—</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	90,825	(3,743)
Cash and Cash Equivalents at Beginning of Year	<u>22,408</u>	<u>26,151</u>
Cash and Cash Equivalents at End of Year	<u>113,233</u>	<u>22,408</u>

The notes on pages 13 to 20 form part of these financial statements.

NARTM
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2022

1. General Information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Museum of Transport, Boyle Street, Cheetham, MANCHESTER, M8 8UW.

2. Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

(b) Going Concern

There are no material uncertainties about the charity's ability to continue.

(c) Judgements and Key Sources of Estimation Uncertainty

Significant judgements

There were no judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. There were no key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NARTM
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 JULY 2022

3. Accounting Policies *(continued)*

(d) Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

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

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

(e) Incoming Resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

NARTM
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 JULY 2022

3. Accounting Policies *(continued)*

(f) Resources Expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

(g) Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

(h) Financial Instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

NARTM
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 JULY 2022

3. Accounting Policies *(continued)*

Financial Instruments *(continued)*

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by Guarantee

The company is limited by guarantee, the liability of each member being £1.

5. Donations and Legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Donations				
General Donations	120	120	—	—
Gift Aid	—	—	386	386
Legacies				
Neil Millington Legacy	2,450,000	2,450,000	—	—
Subscriptions				
Membership Subscriptions	2,600	2,600	60	60
	<u>2,452,720</u>	<u>2,452,720</u>	<u>446</u>	<u>446</u>

6. Charitable Activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Valuation Fees	—	—	150	150
	<u>—</u>	<u>—</u>	<u>150</u>	<u>150</u>

NARTM
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 JULY 2022

7. Investment Income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Income from listed investments	16,310	16,310	—	—
Income from cash investments	334	334	—	—
Bank Interest Receivable	58	58	36	36
	<u>16,702</u>	<u>16,702</u>	<u>36</u>	<u>36</u>

8. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
NARTM Newslink	1,132	1,132	1,101	1,101
NARTM Leaflet	1,329	1,329	—	—
Neil Millington Legacy	50,000	50,000	—	—
Support costs	20,127	20,127	4,064	4,064
	<u>72,588</u>	<u>72,588</u>	<u>5,165</u>	<u>5,165</u>

9. Expenditure on Charitable Activities by Activity Type

	Activities undertaken directly	Support costs	Total funds 2022 £	Total fund 2021 £
Membership Services	—	446	446	219
NARTM Newslink	1,132	—	1,132	1,101
NARTM Leaflet	1,329	—	1,329	—
Neil Millington Legacy	50,000	8,454	58,454	3,832
Legacy Investment Fund	—	6,414	6,414	—
Governance costs	—	4,813	4,813	13
	<u>52,461</u>	<u>20,127</u>	<u>72,588</u>	<u>5,165</u>

10. Analysis of Support Costs

	Membership Services £	Neil Millington Legacy £	Legacy Investment Fund £	Total 2022 £	Total 2021 £
Communications and IT	68	—	—	68	39
General office	378	—	—	378	180
Governance costs	13	4,800	—	4,813	13
Investment Manager Fee	—	—	6,414	6,414	—
Legal Fees	—	8,454	—	8,454	3,832
	<u>459</u>	<u>13,254</u>	<u>6,414</u>	<u>20,127</u>	<u>4,064</u>

NARTM
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 JULY 2022

11. Auditors Remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	<u>4,800</u>	<u>—</u>

12. Independent Examination Fees

	2022	2021
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>—</u>	<u>180</u>

13. Staff Costs

There were no employees in either year.

14. Trustee Remuneration and Expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

Company officers have generously made donations exceeding 100% of the cost of travel to attend meetings, with the net cost to NARTM being nil

15. Investments

	Cash or cash equivalents £	Listed investments £	Total £
Cost or valuation			
At 1 August 2021	—	—	—
Additions	353,368	1,966,691	2,320,059
Disposals	—	(8,610)	(8,610)
Fair value movements	—	(93,519)	(93,519)
At 31 July 2022	<u>353,368</u>	<u>1,864,562</u>	<u>2,217,930</u>
Impairment			
At 1 August 2021 and 31 July 2022			<u>—</u>
Carrying amount			
At 31 July 2022	<u>353,368</u>	<u>1,864,562</u>	<u>2,217,930</u>
At 31 July 2021	<u>—</u>	<u>—</u>	<u>—</u>

All investments shown above are held at valuation.

Financial assets held at fair value

The investments were valued by the Investment Managers

NARTM
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 JULY 2022

16. Debtors

	2022	2021
	£	£
Trade debtors	25	—
	<u> </u>	<u> </u>

17. Creditors: Amounts Falling due Within One Year

	2022	2021
	£	£
Accruals and deferred income	6,620	1,180
Membership Subscriptions	100	75
	<u>6,720</u>	<u>1,255</u>

18. Analysis of Charitable Funds

Unrestricted funds

	At 1 Aug 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Jul 2022 £
General funds	5,153	2,778	(2,920)	3,832	—	8,843
Guide to the National Collection	16,000	—	—	10,000	—	26,000
Neil Millington Legacy	—	2,450,000	(63,254)	(3,832)	(93,519)	2,289,395
Legacy Investment Fund	—	16,644	(6,414)	(10,000)	—	230
	<u>21,153</u>	<u>2,469,422</u>	<u>(72,588)</u>	<u> </u>	<u>(93,519)</u>	<u>2,324,468</u>

	At 1 Aug 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Jul 2021 £
General funds	9,686	632	(5,165)	—	—	5,153
Guide to the National Collection	16,000	—	—	—	—	16,000
Neil Millington Legacy	—	—	—	—	—	—
Legacy Investment Fund	—	—	—	—	—	—
	<u>25,686</u>	<u>632</u>	<u>(5,165)</u>	<u> </u>	<u> </u>	<u>21,153</u>

NARTM
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 JULY 2022

19. Analysis of Net Assets Between Funds

	Unrestricted Funds £	Total Funds 2022 £
Investments	2,217,930	2,217,930
Current assets	113,258	113,258
Creditors less than 1 year	(6,720)	(6,720)
Net assets	<u>2,324,468</u>	<u>2,324,468</u>

	Unrestricted Funds £	Total Funds 2021 £
Investments	—	—
Current assets	22,408	22,408
Creditors less than 1 year	(1,255)	(1,255)
Net assets	<u>21,153</u>	<u>21,153</u>

20. Analysis of Changes in Net Debt

	At 1 Aug 2021 £	Cash flows £	At 31 Jul 2022 £
Cash at bank and in hand	<u>22,408</u>	<u>90,825</u>	<u>113,233</u>