

**MARKET HARBOROUGH AND THE BOWDENS CHARITY**  
**(A Charitable Incorporated Organisation)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2023**

**Charity Registered Number 1157787**

# **MARKET HARBOROUGH AND THE BOWDENS CHARITY**

## **REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2023**

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# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their report along with the financial statements of Market Harborough and The Bowdens Charity, ("the Charity") for the year ended 31 December 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 ("SORP (FRS 102)").

### REFERENCE AND ADMINISTRATIVE DETAILS

<b>Charity Name</b>	Market Harborough and The Bowdens Charity																														
<b>Charity Registration Number</b>	1157787																														
<b>Status:</b>	Charitable Incorporated Organisation																														
<b>Principal Office Address</b>	10, Fairfield Road, Market Harborough, Leicestershire, LE16 9QQ																														
<b>Trustees</b>	<p>The members of the Board of Trustees who served during the year and at the date of this report are as follows:</p> <p><b>Appointed Trustees:</b></p> <table><tr><td>Mrs S Berridge</td><td>Appointed 31 August 2023</td></tr><tr><td>Mrs J Balme</td><td></td></tr><tr><td>Mr G Buxton</td><td></td></tr><tr><td>Mrs R Corfield</td><td>Appointed 31 August 2023</td></tr><tr><td>Mrs C Davies</td><td></td></tr><tr><td>Mr J Feavyour QPM</td><td>Chair</td></tr><tr><td>Mr E Green</td><td>Appointed 18 September 2023</td></tr><tr><td>Dr S Hill</td><td></td></tr><tr><td>Prof. W Jones</td><td></td></tr><tr><td>Mr G Kellie</td><td></td></tr><tr><td>Mrs L Kvatch</td><td></td></tr><tr><td>Mrs K Merryweather</td><td></td></tr><tr><td>Mrs L Rhodes</td><td>Retired 23 February 2023</td></tr><tr><td>Mr A Walters</td><td>Appointed 31 August 2023</td></tr><tr><td>Mrs J A Williams</td><td>Retired 31 August 2023</td></tr></table> <p><b>Nominated:</b></p> <p>Ms E Elliott</p>	Mrs S Berridge	Appointed 31 August 2023	Mrs J Balme		Mr G Buxton		Mrs R Corfield	Appointed 31 August 2023	Mrs C Davies		Mr J Feavyour QPM	Chair	Mr E Green	Appointed 18 September 2023	Dr S Hill		Prof. W Jones		Mr G Kellie		Mrs L Kvatch		Mrs K Merryweather		Mrs L Rhodes	Retired 23 February 2023	Mr A Walters	Appointed 31 August 2023	Mrs J A Williams	Retired 31 August 2023
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Mrs K Merryweather																															
Mrs L Rhodes	Retired 23 February 2023																														
Mr A Walters	Appointed 31 August 2023																														
Mrs J A Williams	Retired 31 August 2023																														
<b>Charity Secretary</b>	Mrs W. Hempson																														
<b>Accountants and Auditors</b>	Edward Thomas Peirson & Sons, 21, The Point, Rockingham Road, Market Harborough, Leicestershire, LE16 7NU																														
<b>Solicitors</b>	BHW Solicitors, 1 Smith Way, Leicester LE19 1SX																														
<b>Bank</b>	HSBC plc, 15 High Street, Market Harborough, Leicestershire, LE16 7NN																														
<b>Investment Managers</b>	<p>Up until April 2023:</p> <p>MHA Caves Wealth, Lockgates House, Rushmills, Northampton NN4 7YB</p> <p>Cazenove Capital Management Limited, 1, London Wall Place, London Wall, London, EC2Y 5AU</p> <p>CCLA Investment Management Limited, One Angel Lane, London, EC4R 3AB</p> <p>From April 2023:</p> <p>Mercer LLC, G1 Building, 5 George Square, Glasgow, G2 1AR</p>																														
<b>Land Agents</b>	Fisher German LLP, Innovation House, Welland Business Park, Valley Way, Market Harborough, Leicestershire, LE16 7PS																														

# **MARKET HARBOROUGH AND THE BOWDENS CHARITY**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023**

### **OBJECTIVES AND ACTIVITIES**

#### **Objectives**

The Charity's area of benefit is the 'Urban area of Leicestershire centred on Market Harborough, Great Bowden and Little Bowden'

In summary, the objects of the Charity as set out in its constitution, are:

1. Such charitable purposes for the general benefit of the inhabitants of the area of benefit as the Trustees think fit for which provision is not made out of rates, taxes or other public funds;
2. The relief either generally or individually of residents in the area of benefit who are in conditions of need, hardship or distress, but not directly in relief of rates, taxes or other public funds. This is referred to in the objects as "Relief in Need". In exceptional circumstances the Trustees may grant relief to individuals otherwise eligible who are resident immediately outside the area of benefit;
3. Education – the provision of financial help to enable suitable applicants over the age of 16 and resident in the area of benefit to undertake programmes of study in further or higher education, or training towards a vocational qualification, which they would otherwise be less able to afford, and
4. The maintenance and repair of the fabric of the Parish Church of the ecclesiastical parish of St. Peter and St. Paul, Great Bowden. The amount applied in this respect is restricted to 20% of the Charity's income in any three-year period.

Before applying the income of the Charity in support of these objects the Trustees must first defray the costs of maintaining the Charity's property (including that held on trust by the Charity) and the costs, charges and expenses of administering the Charity.

#### **Activities**

The Charity's principal activity is grant making for the general benefit of the public, relief-in-need payments to individuals largely referred to the Charity by welfare agencies, and educational grants predominantly to prospective undergraduates.

Grants are also awarded, in consultation with the Parochial Church Council, as and when required towards the maintenance and repair of the fabric of the Parish Church of the ecclesiastical parish of St. Peter and St. Paul, Great Bowden.

Outside of direct grant provision, the Charity has fourteen fully serviced flats, two local allotment sites and, in conjunction with the Leicestershire and Rutland Wildlife Trust, protects and enhances the ecological value of a Site of Special Scientific Interest on land that is held within its investment property portfolio.

Finally, the Charity has since 2005 owned a 17<sup>th</sup> Century building known as the Old Grammar School which is a listed landmark building in the town of Market Harborough of significant historical, cultural and architectural importance. The undercroft is available for rent whilst the function room commenced use as the administrative office for the Charity on a temporary basis in 2023 so that the principal office could be used by others (see later).

#### **Grant Making Policy**

The Charity has devised standard application forms for grant applications available through its website [www.mhbcharity.co.uk](http://www.mhbcharity.co.uk) with each application considered by a committee of trustees for probity, fit with the Charity's constitution and availability of budget.

The Strategic Plan developed in late 2022 continued to identify priorities as follows:

- Vulnerable people of all ages
- Mental health wellbeing and ill-health prevention
- Incorporating environmental, social and governance (ESG) elements to all aspects of the business of the Charity

At the time of writing, the strategic plan is once again under review. Grant making remains largely unchanged, but the trustees are seeking to make more proactive use of its local assets for greater public benefit.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

### OBJECTIVES AND ACTIVITIES (continued)

#### Volunteers

In meeting these aims, each of the Trustees provides the Charity with many hours of service on a voluntary basis, but the Charity has no particular requirement for volunteers outside of the trustee body. No financial value is attributed to this voluntary work in the financial statements.

#### Public benefit

The Trustees confirm that they have complied with their duty to have due regard to the guidance published by the Charity Commission on public benefit when reviewing the Charity's aims and objectives, in planning future activities and in setting the grant making policy for the year.

### ACHIEVEMENTS AND PERFORMANCE

Two substantial changes took place during 2023 namely allowing the principal office to be used by other charities and stepping away from almshouse provision.

The principal office had not been used to full capacity – a situation which had been exacerbated during the covid pandemic when hybrid working flourished. Other charities had applied for grants to fund their rental costs which the trustees had wanted to support. The trustees and staff contrived to move out to the Old Grammar School as a temporary base, and to lease their principal office at a peppercorn rent to social welfare charities to use as, inter alia, a drop-in centre.

The fourteen almshouses forming part of the Charity's endowment were determined to be redundant. This followed a two-year review, consultation with the residents, extensive consideration by trustees and a failure to secure any applicants for vacant flats. The conclusion was that there was no need for almshouses for 'the poor' in the area of benefit. Having considered the options, the trustees sitting as members of the CIO at a general meeting resolved to step away from almshouse provision subject to their continued support of existing almshouse residents.

Grant making continued and is highlighted below.

#### Institutional grants

Payments of grants to institutions in the financial year amounted to £180,377 (2022: £218,330). The largest grants were as follows:

• VASL Core Running Costs for a five-year period	£34,664
• Market Harborough Community Bus towards a new minibus	£30,000
• Home-Start South Leicestershire Family Know-How Project	£20,000
• Beacon Care & Wellbeing Café Wellbeing drop-in café	£19,750
• VASL Wellbeing Befriending project costs	£16,560
• Harborough Christian Counselling Service Operating costs	£12,500

#### Relief in Need

All applications for individual assistance are treated in complete confidence.

During 2023, 54 applications (2022: 92) were supported and the Charity was able to provide a variety of new household items, such as carpets, sofas, and white goods. The single largest grant was for a sensory room for a seriously disabled child.

Gift cards had been issued in previous years for vulnerable, less advantaged families to help them buy Christmas presents for their children. However, the absence of feedback led the trustees away from such gifts in 2023.

#### Education

The Charity continued its support of undergraduates. A total of 108 (2022: 108) awards were made. Trustees invited bids from any aspiring student; application forms were assessed, and all candidates were interviewed prior to any grant offer being made. Trustees believe that such a process properly informs their consideration about who to award a grant to as well as being excellent experience for the young people themselves.

# **MARKET HARBOROUGH AND THE BOWDENS CHARITY**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023**

### **ACHIEVEMENTS AND PERFORMANCE (continued)**

#### **Almshouses**

As alluded to in the 2022 trustees annual report and mentioned above, the Charity no longer maintains almshouses. The residents who were in occupation when that decision was made will continue to enjoy their supported accommodation until they leave or find themselves no longer able to live independently.

The future of the properties themselves has not yet been determined, but for the immediate future they will comprise 'almshouse' residents (charity beneficiaries) who make a maintenance contribution below market price, and new tenants who will pay a market related rent. The latter will be on shorthold tenancies to facilitate whatever changes the trustees decide are appropriate in due course.

#### **Allotments**

The two allotment fields are fully occupied and have seen their presentation improved throughout the year. This has included new security in the form of fencing and gates, as well as the clearance of run-down plots and renovation of ponds at Stevens Street. These increased costs are reflected in a material upturn in expenditure on allotments of £63,111 (2022: £27,014).

#### **Site of Special Scientific Interest**

There is a Site of Special Scientific Interest ("SSSI") on part of the farmland, owned by the Charity for investment purposes, which is managed by the Leicestershire and Rutland Wildlife Trust. Direct costs of £14,003 (2022: £55,786) were incurred on this site during the year.

#### **Church of St. Peter & St. Paul Great Bowden**

During the year, the Charity received applications from the Great Bowden PCC for assistance with the cost of repair and maintenance of the Church of St. Peter & St. Paul amounting to £670 (2022: £10,695). Grants were awarded in settlement of these applications in accordance with the Charity's objects.

### **FINANCIAL REVIEW**

#### **Review of major risks**

The Board takes comfort from the fact that its income has for many years been well in excess of its requirement to cover operational expenses and core grant giving. However, as mentioned last year, a review of the performance of investment assets led to the move of all of the investment endowment to Mercer which took place largely in March 2023. The last year has involved the trustees developing their understanding of the new portfolio to ensure income and growth meet their expectations. The diversification of investments required by trustees to mitigate against unnecessary volatility in the markets is present in the Mercer product. The Charity has adopted an investment strategy to provide for present and future beneficiaries with appropriate diversification to avoid unnecessary risks.

The Estates committee had to abandon plans for the development of plans for a Wellbeing Campus on a particular site because of a change in demand from other local charities both in terms of capacity and location. Another change occurring at the time of writing was the notice given by a tenant to leave their leased retail premises which triggers a potential £80k reduction in income.

The new governance committee has in its plans an intention to review the Charity's internal financial controls. The systems that evolved to maintain operations during the covid pandemic and thereafter are recognised as not fit for purpose and will be revised to provide proper protections for the CIO, staff and trustees.

The Board continues to engage a firm of Chartered Accountants to oversee all aspects of bookkeeping, provide quarterly management accounts and to draft the annual financial statements.

# **MARKET HARBOROUGH AND THE BOWDENS CHARITY**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023**

### **FINANCIAL REVIEW (continued)**

#### **Financial and investment performance**

Income from the investment portfolio (excluding investment properties) reduced by approximately 31% compared with the previous year to £330,023. The value of the investments under Mercer had risen by approximately £775k (4.98%) compared to the end of the previous year. Whilst this has not had an impact on operational performance, it has caused the trustees to revisit their understanding of the Mercer portfolio. Managers have been interviewed by the Finance committee accordingly and the proposition to move to a total return approach is being considered.

The growth of 4.98% compares with increases of 3.85% in the FTSE All Share index and 3.78% in the FTSE 100 index over the same period. However, due to the relatively cautious and balanced investment strategy, which is adopted by the Charity, a more suitable benchmark could be the MSCI WMA Private Investor Balanced index which, grew by 10.11% over the year.

Messrs Fisher German LLP, Chartered Surveyors undertook a full valuation of the Charity's property portfolio, both held for investment and operational use, as at 31 December 2023. Whilst the investment properties are revalued annually the operational properties were last revalued on 31 December 2020. This has resulted in a net increases of £15,561 and £233,834 in the carrying value of the investment properties and operational properties, respectively. The net investment property gain is split between: a gain of £46,561 in the Charity's Principal Office which, as explained above, is held within the General Fund for Social Investment purposes; and a loss of £31,000 in the properties held within the Endowment Fund.

Rental income from the investment properties (which include farmland, paddocks and shops) for the year was £116,927 compared with £98,172 in 2022. This represents an investment yield of approximately 4.27% based on the latest valuation (excluding the Charity's Principal Office).

Income from the charitable activities including the almshouses, Old Grammar School and allotments was slightly lower at £99,039 compared with £115,725 in 2022.

Voluntary income and other incoming resources contributed a further £534 (2022: £2,068) in the year.

The cost of generating funds was £28,956 (2022: £84,462) of which £26,564 (2022: £27,925) has been met from the General Funds and £2,392 (2022: £57,167) from the Endowment Fund. The large reduction in expenditure from the Endowment Fund is the result of the different way in which Mercer charge investment management fees compared with the previous fund managers.

The provision of grant funding (including support costs) totalled £374,103 (2022: £633,995) and expenditure on other charitable activities (excluding grants) was £253,104 (2022: £238,906), of which £40,278 related to the depreciation of the almshouses and was charged against the Endowment Fund

#### **Financial position at the end of the year**

##### **Unrestricted General and Designated Funds**

As a result of the movement in resources referred to above the net outgoing resources from the General Fund for the year, before gains/losses on investments and transfers to/from designated reserves, amounted to £66,970 compared with £163,214 in the previous year.

In addition to the, gain referred to above, of £46,561 on the revaluation of the property, realised and unrealised gains of £38,328 were reported on general fund investments with the result that unrestricted reserves have risen by £17,919 over the course of the year and stood at £1,194,734 as at 31 December 2023.

The net transfer from designated funds to general funds in the year amounted to £34,939 such that, of the total unrestricted reserves: £360,250 has been designated for specific purposes (including grants pledged); and £834,484 represent general funds.

##### **Restricted Income Fund**

During the year there was no movement in the balance of the Restricted Income Fund which stands at £10,352. Of this sum, £6,087 is restricted for the payment of grants supporting musical activities and the balance of £4,265 is restricted for children with special needs.

# **MARKET HARBOROUGH AND THE BOWDENS CHARITY**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023**

### **FINANCIAL REVIEW (continued)**

#### **Endowment Fund**

In addition to the expenditure described above, net losses of £4,298 were realised on sales of stocks within the investment portfolio during the year and unrealised gains of £686,832 were recorded on the revaluation of the portfolio to its market value at the year end. As reported above, revaluation of the property portfolio resulted in a unrealised loss of £31,000 in the investment properties and an unrealised gain of £233,834 in the operational properties.

The net effect is that the value of the Endowment Fund assets grew by £842,698 over the year and stood at £20,401,575 as at 31 December 2023.

#### **Reserves policy**

Reserves represent unrestricted funds after appropriate provision has been made, through designated funds (as described above) for: meeting commitments for grants pledged; maintenance and repair of the Great Bowden church; making Relief in Need and educational grants; and repairs to all freehold properties.

The Trustees aim to find projects worthy of support, in accordance with the Charity's objects, such that the grants that they award are approximately equal to the Charity's income net of operational expenses and management and administration expenses. However, reserves are required:

- to allow for unforeseen reductions in annual income; and
- to enable the Charity to provide funds for specific projects so that these projects can be undertaken at short notice.

Taking these factors into account the Trustees consider that the reserves should ideally be within a range of twelve to eighteen months of the typical outgoing resources of the Charity (excluding amounts specifically covered by designated reserves) which approximately equates to between £500,000 and £750,000.

The reserves at 31 December 2023 amount to £834,484, however, property which is in use for Social Investment purposes represents £175,000 of this total. Therefore, the net free reserves are £659,484. This level of reserves lies towards middle of the ideal range and is considered to be acceptable for the immediate needs of the Charity.

The Charity's Finance Committee continues to keep the level of reserves under review and in making its assessment it will refer to quarterly management accounts prepared by the Charity's accountants, income projections prepared by the Charity's fund managers and internally produced cash flow projections. Appropriate recommendations will then be made to the Board as to the level of grants to be awarded in 2024. If necessary, the level may need to be reduced from that of recent years but there is no material uncertainty that the Charity will be able to continue as a going concern for the foreseeable future.

#### **PLANS FOR FUTURE PERIODS**

The Charity has seen some material changes in 2023. The management of the investment portfolio has been moved and is under scrutiny to ensure it delivers the growth and income required. The withdrawal from ongoing almshouse provision reflects the requirements of the area of benefit in a modern welfare state.

The decision to allow the principal office to be used by other charities has been useful in several respects. The way that relationships have developed between leaseholders will be helpful in future projects not least of which will be how the former Wellbeing Campus plans are taken forward.

The creativity demonstrated by the trustees over their principal office, the notice received from their main retail tenant and their enthusiasm to make better use of their local assets for public benefit presents a number of options. Whilst a period of consolidation to allow finances to settle is one option, the trustees are still keen to use local assets more proactively. They own such assets, and they recognise that they could change out those assets for other more suitable alternatives.

The presentation of their next strategic plan will properly therefore involve further deliberations about their own operating base, facilities that can be made available to others for public benefit and the extent to which they want to change the profile of their assets to do so.



# **MARKET HARBOROUGH AND THE BOWDENS CHARITY**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023**

### **PLANS FOR FUTURE PERIODS (continued)**

Grant giving continues to be a mainstay of the work of the Charity. The General Grants committee is increasingly asking applicants to demonstrate public benefit as part of their bid. The Education committee is trying to focus support on those students who most need financial help to progress their studies. And the Relief-in-need committee is engaged in conversations with support agencies in an effort to find 'stepping stones, not nets' – to find ways for applicants to help themselves through education or mentoring and thus avoid the cycle of repeated applications for help every time a problem occurs.

The trustees are also trialling a partnership with the Howard Watson Symington Memorial Chairty as they have the same objectives and area of benefit. Trustees are attending each other's meetings, and they are jointly employing an administrator with a view to learning from each other and to provide greater resilience to both.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Document**

The Charity was registered as a Charitable Incorporated Organisation on 9 July 2014 and is governed by a foundation constitution, which was last amended on 1<sup>st</sup> June 2023. The constitution states that the body of trustees ("the Board") shall consist of a minimum of eight trustees and a maximum of fifteen appointed trustees and one ex officio trustee. The first fifteen trustees of the Charity were appointed for terms ranging from between two and five years, whereupon they are eligible for re-appointment. All subsequent appointments/re-appointments are for a term of four years.

#### **Organisational structure**

The Board meets once a quarter to deal with all governance and policy matters and has appointed staff to attend to the day to day running of the Charity. Three grant-giving sub-committees have been established to reflect the constitution namely: General grants, Relief-in-need, and Education. Operational sub-committees have been established for Finance, Estates, Flats and Allotments. Policy committees have been set up to advise on Governance and Environmental matters. An HR sub-committee also meets as required. The Board receives a Charity Secretary's report to bring the decisions of the sub-committees to the attention of the trustees as a whole.

#### **Remuneration structure for key management personnel**

Trustees are entirely unremunerated. Staff salaries are index linked with cost-of-living increments applied each year based on a national index.

#### **Trustee recruitment, induction and training**

Vacancies are considered from time to time and 2023 saw the appointment of four new trustees. The opportunities were advertised widely, a shortlist drawn up and selection interviews held. The new trustees come with a wide experience including governance, finance, and the environment obtained in the private and public sectors.

Harborough District Council ("the Council") may appoint one individual to act as an ex-officio trustee of the Charity provided that individual is also a Senior Officer of the Council. The position of ex officio trustee shall remain vacant if none of the Council's Senior Officers are willing to act in this capacity.

New trustees are provided with an induction pack including information on their legal obligations under charity law, the content of the constitution, the committees and decision-making processes, strategic review, and the recent financial performance of the Charity. All trustees will be encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

### **TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

The Trustees 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).

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

### TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS (continued)

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP FRS (102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records that 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 Charities Act 2011, the Charity (Accounts Reports) Regulations 2008 and the provisions of the constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### FUND-RAISING STANDARDS INFORMATION

The Charity does not carry out any significant fundraising activities involving the general public.

### DECLARATION

I declare, in my capacity of Charity Trustee, that the Trustees have approved the report above and have authorised me to sign it on their behalf.



**John Feavours QPM**  
Chair of Trustees  
Dated **20** October 2024

# **MARKET HARBOROUGH AND THE BOWDENS CHARITY**

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKET HARBOROUGH AND THE BOWDENS CHARITY**

### **Opinion**

We have audited the financial statements of Market Harborough and The Bowdens Charity (the "charity") for the year ended 31 December 2023 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 including FRS 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 charity's affairs as at 31 December 2023, and of its incoming resources and application of resources, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

# **MARKET HARBOROUGH AND THE BOWDENS CHARITY**

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKET HARBOROUGH AND THE BOWDENS CHARITY (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Report of the Trustees; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement (set out on page 9), the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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:

- the engagement partner ensured that the engagement team collectively had the appropriate experience, competence, capabilities and skills to identify or recognise non-compliance with laws and regulations;
- through discussions with the trustees and other management, and from our commercial knowledge of the charity's activities and objectives, we identified the laws and regulations applicable to the charity and focused on specific laws and regulations which we considered may have a direct material effect on the financial statements and operations of the charity.
- we remained alert to instances of non-compliance throughout the audit and assessed the extent of compliance through discussions with management and examination of documentation.

We assessed the susceptibility of the charity's financial statements to material misstatement and obtained an understanding of how fraud might occur by:

- making enquiries of management as to where they considered there was a susceptibility to fraud and their knowledge of any actual, suspected or alleged fraud; and
- considering the internal controls in place to mitigate the risk of fraud and non-compliance with laws and regulations.

Continued

## MARKET HARBOROUGH AND THE BOWDENS CHARITY

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKET HARBOROUGH AND THE BOWDENS CHARITY (continued)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify unusual or unexpected relationships;
- reviewed the nominal ledger and, specifically, journal entries to identify large or unusual transactions and investigated them; and
- we assessed the extent to which accounting entries relied on a high degree of judgement and/or estimation and when deemed necessary, such as for financial assets held at fair value, obtained external evidence to support said judgement and/or estimation.

In response to the risk of irregularities and non-compliance with laws and regulations we designed procedures which included:

- agreeing financial statement disclosures to supporting documentation;
- reading minutes of trustee / management meetings, relevant regulators and the charity's professional advisers;
- performing substantive procedures on material balances and transactions; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures outlined above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment and/or collusion.

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

#### Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulation 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



#### Edward Thomas Peirson & Sons

Statutory Auditor  
Chartered Accountants  
21, The Point  
Rockingham Road  
Market Harborough  
Leicestershire  
LE16 7NU

Dated: 22 October 2024

*Edward Thomas Peirson & Sons is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023

		General Fund	Designated Funds	Restricted Income Funds	Endowment Fund	Total 2023	Total 2022
	Note	£	£	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM:</b>							
Donations and legacies	2	425	-	-	-	425	1,960
Charitable activities	3	99,039	-	-	-	99,039	115,725
Investments:							
From investment properties	4	116,927	-	-	-	116,927	98,172
From investment portfolio	4	330,023	-	-	-	330,023	480,739
Other	5	109	-	-	-	109	108
<b>Total income and endowments</b>		<b>546,523</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>546,523</b>	<b>696,704</b>
<b>EXPENDITURE ON:</b>							
Raising Funds	6	(26,564)	-	-	(2,392)	(28,956)	(84,462)
Charitable activities:							
Provision of grant funding	7	(374,103)	-	-	-	(374,103)	(633,995)
Other charitable activities	8	(212,826)	-	-	(40,278)	(253,104)	(238,906)
<b>Total expenditure</b>		<b>(613,493)</b>	<b>-</b>	<b>-</b>	<b>(42,670)</b>	<b>(656,163)</b>	<b>(957,363)</b>
<b>Net income/(expenditure) before gains/(losses) on investments</b>		<b>(66,970)</b>	<b>-</b>	<b>-</b>	<b>(42,670)</b>	<b>(109,640)</b>	<b>(260,659)</b>
<b>GAINS/(LOSSES):</b>							
On Investment properties:							
Realised		-	-	-	-	-	-
Unrealised	15	46,561	-	-	(31,000)	15,561	259,500
On Investments:							
Realised	16	8,183	-	-	(4,298)	3,885	(15,351)
Unrealised	16	30,145	-	-	686,832	716,977	(1,589,846)
<b>Net income/(expenditure) before transfers</b>		<b>17,919</b>	<b>-</b>	<b>-</b>	<b>608,864</b>	<b>626,783</b>	<b>(1,606,356)</b>
<b>Net transfers between funds</b>	19	<b>34,939</b>	<b>(34,939)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net income/(expenditure) for the period</b>		<b>52,858</b>	<b>(34,939)</b>	<b>-</b>	<b>608,864</b>	<b>626,783</b>	<b>(1,606,356)</b>
<b>OTHER RECOGNISED GAINS/(LOSSES):</b>							
On revaluation of Tangible Fixed Assets	13	-	-	-	233,834	233,834	-
<b>Net movements in funds</b>		<b>52,858</b>	<b>(34,939)</b>	<b>-</b>	<b>842,698</b>	<b>860,617</b>	<b>(1,606,356)</b>
<b>Total funds brought forward</b>		<b>781,626</b>	<b>395,189</b>	<b>10,352</b>	<b>19,558,877</b>	<b>20,746,044</b>	<b>22,352,400</b>
<b>Total funds carried forward</b>		<b>834,484</b>	<b>360,250</b>	<b>10,352</b>	<b>20,401,575</b>	<b>21,606,661</b>	<b>20,746,044</b>

All activities relate to continuing operations.

The notes on pages 15 to 32 form part of these financial statements.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## BALANCE SHEET AS AT 31 DECEMBER 2023

	Note	2023	As At 31 December 2022
		£	£
<b>Fixed Assets</b>			
<b>Tangible fixed assets</b>	13		
Freehold land and buildings		1,951,818	1,892,259
Fixtures and fittings		-	1,223
Office equipment		-	256
		<u>1,951,818</u>	<u>1,893,738</u>
<b>Intangible fixed assets</b>	14		
Basic Payment Scheme entitlements		-	1,650
<b>Investments</b>			
Investment properties	15	2,911,000	2,767,000
Investment portfolio	16	16,364,979	15,589,234
		<u>19,275,979</u>	<u>18,356,234</u>
		<u>21,227,797</u>	<u>20,251,622</u>
<b>Current Assets</b>			
Debtors	17	31,103	37,707
Cash at bank and on deposit		400,469	550,663
Cash in hand		195	246
		<u>431,767</u>	<u>588,616</u>
<b>Creditors payable within one year</b>	18	(52,903)	(94,194)
<b>Net Current Assets</b>		<u>378,864</u>	<u>494,422</u>
<b>Net Assets</b>		<u>21,606,661</u>	<u>20,746,044</u>
<b>Funds</b>	19		
<b>Unrestricted funds</b>			
General funds		834,484	781,626
Designated funds		360,250	395,189
		<u>1,194,734</u>	<u>1,176,815</u>
<b>Restricted funds</b>			
Income funds		10,352	10,352
Endowment funds		20,401,575	19,558,877
<b>Total Funds</b>		<u>21,606,661</u>	<u>20,746,044</u>

The financial statements were approved by the trustees on 20 October 2024 and signed on their behalf by:



John Feavours QPM - Chair



Kerry Merryweather - Trustee

The notes on pages 15 to 32 form part of these financial statements.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	<b>Total 2023 £</b>	<b>Total 2022 £</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net movements in funds per Statement of Financial Activities	860,617	(1,606,356)
Adjustments for:		
Depreciation & Amortisation Charges	48,965	54,694
(Gains)/Losses on investment properties:		
Realised	-	-
Unrealised	(15,561)	(259,500)
(Gains)/Losses on investments:		
Realised	(3,885)	15,351
Unrealised	(716,977)	1,589,846
Dividends, rents and interest receivable from:		
Investment properties	(116,927)	(98,172)
Investments	(330,023)	(480,739)
(Gains)/Losses on revaluation of Tangible Fixed Assets	(233,834)	-
(Increase)/Decrease in Debtors	(7,488)	11,173
Increase/(Decrease) in Creditors	(41,114)	17,918
<b>Net cash used in operating activities</b>	<b>(556,227)</b>	<b>(755,785)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Rents received from investment properties	129,667	87,097
Dividends and interest received from investments	331,164	483,976
Proceeds of Sale of Investments	17,608,034	2,330,477
Purchase of Investments	(18,015,721)	(1,955,248)
<b>Net cash provided by investing activities</b>	<b>53,144</b>	<b>946,302</b>
<b>NET CHANGE IN CASH IN THE REPORTING PERIOD</b>	<b>(503,083)</b>	<b>190,517</b>
<b>Cash brought forward</b>	<b>903,747</b>	<b>713,230</b>
<b>CASH CARRIED FORWARD</b>	<b>400,664</b>	<b>903,747</b>
<b>Cash Carried Forward represents:</b>		
Cash held in investment portfolio awaiting investment	-	352,838
Cash at bank and in hand held on instant access and short term deposits	400,469	550,663
Cash in Hand	195	246
	<b>400,664</b>	<b>903,747</b>

The notes on pages 15 to 32 form part of these financial statements.



# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 1 PRINCIPAL ACCOUNTING POLICIES

#### (a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with:

- Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 ("SORP (FRS 102)");
- The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) ("FRS 102");
- The Charities Act 2011; and
- UK Generally Accepted Practice.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following SORP (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The going concern basis and historical cost convention, as modified by the inclusion of freehold land and investments at fair value, have been used in preparing the financial statements.

#### (b) GOING CONCERN ASSESSMENT

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

The most significant area of uncertainty, which affects the continuing income of the Charity, are the levels of investment return and performance of investment markets. Note 16 to the financial statements provides detail of the action taken by the Trustees to mitigate the risks involved. Designated reserves have been established to ensure that adequate funds are available to meet pledges made by the Charity at the balance sheet date in the event that the associated conditions are met by the intended beneficiaries.

The Covid-19 pandemic and the subsequent war in Ukraine created turmoil in the financial markets with the result that only during the current year did the value of the investment portfolio recover to its pre-pandemic level. At 31 December 2023 the value of the portfolio exceeded its pre-pandemic level by approximately £650,000.

Investment receipts also fell in response to these two events and as a result of the change in investment managers. Lower investment returns are expected to continue for the foreseeable future and the Trustees are currently considering adopting a total return approach to investment. In the meantime, the Charity has set realistic projections of its investment income receivable in accordance with advice from its investment managers. Typically only between 30% and 40% of annual income is required to cover the Charity expenditure other than the payment of grants. Therefore, whilst the Trustees accept that grant making may have to be restricted to a level below that of recent pre-pandemic years they confidently expect that the Charity will have the cash flows to be able to satisfy existing pledges and to continue to make meaningful grant awards for the foreseeable future.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### (c) INCOME RECOGNITION

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

**Charitable activities income** comprises contributions due from the tenants of the almshouses and rents and similar amounts receivable from the Cricket Club, SSSI, Old Grammar School and the allotments. These properties are held for charitable purposes and the income arising represents less than a market rent.

**Investment income** represents rental income from commercial properties and farm land, which are held by the Charity for their investment potential, together with interest and dividends on stocks, shares and bank deposits held on the endowment and unrestricted funds. Such income is recognised on a receivable basis and where appropriate, this includes the income tax recoverable.

Incoming resources from investments (including investment properties) held as part of the endowment fund are unrestricted.

Wherever possible, income is reported gross of any related expenditure. However, in the case of investment management costs within managed funds it is not always practicable to identify such costs with reasonable accuracy and, therefore, the investment income is reported net of these costs.

In accordance with SORP (FRS 102) no amount is included in the financial statements for volunteer time.

### (d) EXPENDITURE RECOGNITION

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to make payment to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably. As the Charity is not registered for VAT, all expenditure is shown gross of irrecoverable VAT.

Expenditure is categorised under the following headings:

**Raising funds** This represents: costs of managing and maintaining the Charity's investment properties; investment portfolio management fees; and promotional and website costs aimed at potential donors.

**Charitable activities** Costs under this heading fall into two distinct categories:

- Grants paid to individuals and organisations as approved by the Trustees in accordance with the Charity's Constitution; and
- The costs incurred in providing and maintaining the almshouses, the Old Grammar School; the allotments and the Site of Special Scientific Interest.

Where unconditional grants are offered the expenditure is accrued as soon as the recipient is notified of the grant and there is a reasonable expectation that it will be paid. Where grants are pledged, but payment is conditional on the performance of the recipient, the amount is not recognised as an expense until the conditions have been fulfilled. However, an amount equivalent to that pledged is transferred to a designated reserve.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### (e) ALLOCATION OF COSTS

Costs which are directly attributable to a single activity are allocated directly to that activity. Shared costs which contribute directly to more than one activity are apportioned between those activities on the basis of usage by each activity.

**Support costs** represent the remaining costs that are not capable of direct attribution. They have been allocated between the categories of raising funds and charitable activities in accordance with the basis specified in Note 7.

Governance costs, which represent the expenses of Trustees' meetings and legal and professional fees related to the running and management of the Charity (including external audit fees), are included within the heading of support costs.

The allocation process involves a significant element of judgement as the charity has to consider the cost of detailed calculations and record keeping with the resultant benefit.

### (f) OPERATING LEASES

Rentals payable and receivable under operating leases are charged/credited in the Statement of Financial Activities on a straight line basis over the period of the lease.

### (g) TANGIBLE FIXED ASSETS INCLUDING HERITAGE ASSETS

Freehold land, comprising the allotments and cricket club land, are included at their estimated open market value based on a professional valuation which is usually undertaken every three years. The most recent revaluation was undertaken as at 31 December 2023. Any unrealised gains or losses are credited or charged to the SOFA as they arise. No depreciation is provided on such assets.

The Old Grammar School, as more fully explained in Note 12, is a Heritage Asset which forms part of the Charity's Permanent Endowment. There is no record of the original cost of the building and the Trustees consider that there are no suitable or cost-effective techniques available to ascertain a reliable valuation for the property. Accordingly, no cost or valuation is attributed to the property in these financial statements.

All other assets are recorded at cost/valuation less accumulated depreciation. The cost of minor additions to fixed assets, defined as those costing less than £2,000 each, are expensed in the year in which they are incurred.

Depreciation is provided at rates calculated to write off the cost/valuation, less estimated residual value, of each asset on a straight line basis over its estimated useful life as follows:

Freehold property for operational use	- over 50 years
Improvements to cricket club buildings	- over the period of the lease to the cricket club
Almshouse buildings	- over 50 years
Almshouse fixtures	- over 7 years
Office equipment	- 25% per annum

The depreciation charge of assets held with Endowment Fund is charged to that fund. All other depreciation is charged to the General Fund.

### (h) INTANGIBLE FIXED ASSETS

Intangible fixed assets represent Basic Payment Scheme entitlements purchased by the Charity, which are initially recognised at cost. The assets were being amortised on a straight line basis so as to fully write off their cost by the end of 2027, in accordance with UK Government policy to phase out Direct Payments under the scheme over this period. However, the Government have subsequently announced that financial support payments for the years 2024 to 2027 will be delinked from the entitlements and that they will not be tradeable after May 2023. Accordingly, the remaining net book value of the assets at 31 December 2021 is being written off on a straight line basis through to the end of May 2023. This change of accounting estimate has increased the amortisation charge for 2022 by £3,024. The assets form part of the Endowment Fund and the amortisation is charged to that fund.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### (i) INVESTMENTS

Investments comprise investment properties and securities held within an investment portfolio and are initially recorded at their transaction price (including costs).

Investment properties are subsequently recorded at their estimated open market value at the end of each financial year. This estimate is based on an independent formal valuation, which is usually undertaken every three years, and by the Trustees in the intervening years based on independent advice from a desktop review of the most recent formal valuation. The last formal valuation was undertaken as at 31 December 2023. Investment properties are not depreciated.

Investments within the portfolio are revalued annually at their market value on the last day of the financial year. All investments are a form of basic financial instrument which are traded in quoted public markets. The Charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains and losses on investments are calculated as the difference between the sale proceeds and their market value at the start of the year, or subsequent cost. Unrealised gains and losses represent the movement in market values between valuations. Both types of gains and losses are credited or charged to the Statement of Financial Activities in the year of gain or loss.

### (j) DEBTORS AND CREDITORS RECEIVABLE/PAYABLE WITHIN ONE YEAR

Debtors and creditors receivable and payable within one year are recorded at transaction price. Any losses arising from impairment are included within expenditure.

### (k) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of change in value.

Whilst cash held by investment managers awaiting investment is in this category, such balances are included in the balance sheet within the value of the investment portfolio.

### (l) FUND ACCOUNTING

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

**Unrestricted funds** comprise those funds which the Trustees are free to use in accordance with the Charity's objectives.

**Designated funds** are unrestricted funds which the Trustees have earmarked for particular purposes. Details of the nature and purpose of each designated fund is set out in Note 17. Transfers from general funds to designated funds are stated at amounts that the Trustees deem necessary to meet their known and anticipated future obligations.

**Restricted income funds** are funds which have restrictions placed on them by the donor that require them to be spent only for specified purposes.

**Endowment Funds** are capital funds which the Trustees cannot spend. The income arising from the endowment funds is unrestricted.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2 DONATIONS AND LEGACIES	2023	General Fund 2022
	£	£
Miscellaneous donations & Gift Aid tax recovery	425	1,960
	<u>425</u>	<u>1,960</u>
3 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES	2023	General Fund 2022
	£	£
Contributions from almshouse tenants	70,665	73,629
Old Grammar School rent	590	1,975
Allotment rents	5,407	4,000
Market Harborough Cricket Club rental income	6,490	6,490
Countryside Stewardship & other SSSI grants	15,887	29,631
	<u>99,039</u>	<u>115,725</u>
4 INVESTMENT INCOME	2023	General Fund 2022
	£	£
<b>From investment properties:</b>		
Rental income from commercial High Street properties	90,000	90,000
Farm Land	7,177	6,172
Miscellaneous	19,750	2,000
	<u>116,927</u>	<u>98,172</u>
<b>From investment portfolio:</b>		
Interest on UK fixed interest securities and Treasury stock	2,702	7,108
Dividends receivable from equity shares	26,234	96,555
Dividends receivable from collective investment funds	247,333	228,412
Dividends receivable from COIF Units	48,399	143,967
Interest on cash deposits	5,355	4,697
	<u>330,023</u>	<u>480,739</u>
5 OTHER INCOME	2023	General Fund 2022
	£	£
Wayleaves	19	26
Interest on tax repayments & sundry income	90	82
	<u>109</u>	<u>108</u>

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

6 EXPENDITURE ON RAISING FUNDS		2023	2022
GENERAL FUND		£	£
<b>Commercial property management</b>			
Secretarial salaries & on-costs		1,779	1,796
Insurance		1,770	1,721
Repairs and maintenance		267	1,186
Legal & professional fees		2,750	2,660
Bad debt		2,861	-
Support costs (Note 9)		7,937	7,328
<b>Social investment property management</b>			
Insurance		175	-
Repairs and maintenance		744	-
Legal & professional fees		953	-
<b>Investment management</b>			
Investment manager's fees		486	7,079
Support costs (Note 9)		5,430	5,335
<b>Website &amp; other promotional costs</b>		1,412	190
		<u>26,564</u>	<u>27,295</u>
<b>ENDOWMENT FUND</b>			
<b>Investment management</b>			
Investment manager's fees		(8,680)	44,688
Investment property management fees		2,700	3,136
Support costs (Note 9)		-	-
<b>Professional fees</b>		1,338	-
<b>Cricket Club - Depreciation of changing rooms</b>		5,384	5,384
<b>Amortisation of Intangible Assets</b>		1,650	3,959
		<u>2,392</u>	<u>57,167</u>
<b>TOTAL EXPENDITURE ON RAISING FUNDS</b>		<u>28,956</u>	<u>84,462</u>
7 EXPENDITURE ON PROVISION OF GRANT FUNDING		2023	2022
GENERAL FUND		£	£
<b>Grants to institutions or for specific purposes</b>			
<b>Institution</b>	<b>Purpose of grant</b>		
VASL	Core Running Costs for a five year period	34,664	
Market Harborough Community Bus	Purchase of new minibus	30,000	
Home-Start South Leicestershire	Family Know-How Project	20,000	
Beacon Care & Wellbeing Café	Wellbeing drop-in café establishment costs	19,750	
VASL	Wellbeing Befriending project costs	16,560	
Harborough Christian Counselling Service	Operating costs over a five year period	12,500	
Learn Academy Trust	DDA compliant access to Peace Garden	6,273	
Harborough Anglican Team	Training of one Youth Worker	5,326	
Arts Fresco	Street-based arts festival running costs	5,000	
TS Fernie Sea Cadets	Purchase of containers for storage of equipment	5,000	
Harborough District Scouts	Attendance at World Scout Jamboree	3,750	
Others, each £3,000 and under		21,554	
		<u>180,377</u>	<u>218,330</u>
<b>Education Bursary Fund Grants</b>	Awards to a total of 0 (2022: 8) Academies	-	233,038
Carried forward		<u>180,377</u>	<u>451,368</u>

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

<b>7 EXPENDITURE ON PROVISION OF GRANT FUNDING (continued)</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Brought forward	180,377	451,368
<b>Grants to Church of St. Peter &amp; St. Paul, Great Bowden - Repairs &amp; maintenance</b>	670	10,695
<b>Grants to individuals</b>		
Educational fund (108, 2022: 108)	71,600	74,889
Relief in Need £1,000 and over (19, 2022: 16)	42,551	22,271
Relief in Need less than £1,000 (35, 2022: 76)	16,790	12,151
<b>Other grants and awards</b>		
Commemorative Queen Elizabeth II Platinum Jubilee mugs for local school children	-	10,433
Transport for Ukrainian refugees	-	493
<b>Total grants paid</b>	<b>311,988</b>	<b>582,300</b>
<b>Secretarial salary &amp; on-costs</b>	19,226	18,489
<b>Caseworker's costs</b>	-	88
<b>Communications strategy, advertising and website development costs</b>	2,824	381
<b>Support costs (Note 9)</b>	40,065	32,737
<b>Total</b>	<b>374,103</b>	<b>633,995</b>

<b>8 EXPENDITURE ON OTHER CHARITABLE ACTIVITIES</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>GENERAL FUND</b>		
<b>Almshouses:</b>		
Secretarial salary & on-costs	8,478	9,115
Insurance	1,066	1,036
Utilities (including lifeline)	22,828	15,400
Repairs and maintenance	71,143	48,324
Council Tax in void period & other miscellaneous costs	3,244	1,761
Website & promotional costs	1,412	191
Legal & professional fees	3,328	2,720
Depreciation of fixtures & fittings	1,222	1,832
Support costs (Note 9)	15,986	15,159
	<b>128,707</b>	<b>95,538</b>
<b>Old Grammar School:</b>		
Secretarial salary & on-costs	2,850	2,885
Insurance	1,135	1,471
Repairs, maintenance & utilities	(1,778)	11,697
Legal & professional fees	276	380
Support costs (Note 9)	4,522	3,857
	<b>7,005</b>	<b>20,290</b>
<b>Allotments:</b>		
Secretarial salary & on-costs	6,699	7,319
Repairs and maintenance	43,723	7,299
Website & promotional costs	1,412	190
Legal & professional fees	552	760
Water & miscellaneous expenses	1,410	2,325
Support costs (Note 9)	9,315	9,121
	<b>63,111</b>	<b>27,014</b>
<b>Carried forward</b>	<b>198,823</b>	<b>142,842</b>

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 8 EXPENDITURE ON OTHER CHARITABLE ACTIVITIES (continued)

		2023		2022
		£	£	£
Brought forward			198,823	142,842
<b>Site of Special</b>				
<b>Scientific Interest:</b>	Secretarial salary & on-costs	550		633
	Insurance	167		33
	Repairs and maintenance	6,875		50,412
	Legal & professional fees	5,196		3,809
	Other miscellaneous costs	476		79
	Support costs (Note 9)	739		820
			14,003	55,786
			212,826	198,628
<b>ENDOWMENT FUND</b>				
<b>Depreciation of Almshouses</b>			40,278	40,278
			40,278	40,278
<b>TOTAL ALL FUNDS</b>			253,104	238,906

### 9 ANALYSIS AND ALLOCATION OF SUPPORT COSTS

Support costs, as detailed below, have been allocated to resources expended as follows:

	Support Costs				
	Governance Costs £	Office Costs £	Accounts & Finance £	Total £	2022 Total £
<b>RESOURCES EXPENDED:</b>					
<b>General Fund:</b>					
<b>Expenditure on raising funds :</b>					
Commercial property management	1,060	1,447	5,430	7,937	7,328
Investment management	-	-	5,430	5,430	5,335
<b>Expenditure on Charitable Activities:</b>					
Grants payable	12,352	16,854	10,859	40,065	32,737
Almshouses	4,924	6,718	4,344	15,986	15,159
Old Grammar School	1,683	2,296	543	4,522	3,857
Allotments	3,710	5,062	543	9,315	9,121
SSSI	313	426	-	739	820
	24,042	32,803	27,149	83,994	74,357

#### Bases for support cost allocation:

Support costs are allocated between the various activities representing resources expended on the following bases:

<b>Governance costs</b>	Estimated time spent on each activity by the charity secretaries
<b>Secretarial support and office costs</b>	Estimated time spent on each activity by the charity secretaries
<b>Accounts &amp; finance</b>	Estimated time spent on each activity by the charity accountants and bookkeeper

The cost allocation includes an element of judgement as the charity has to consider the cost of detailed calculations and record keeping compared with the resultant benefit.



# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 9 ANALYSIS AND ALLOCATION OF SUPPORT COSTS (continued)

Governance costs included within support costs comprise:	2023	2022
	£	£
Secretarial salary & on-costs	17,416	17,454
Legal and professional fees	276	380
Auditors remuneration	4,014	3,840
General insurance	1,528	1,485
Trustee indemnity insurance	679	660
General expenses (including training of trustees)	128	(150)
	<u>24,041</u>	<u>23,669</u>

### 10 AUDITORS' REMUNERATION

The amounts payable to the Auditors', Edward Thomas Peirson & Sons, were as follows:

	2023	2022
	£	£
For audit services	4,014	3,840
For other assurance services	22,467	22,566
Total	<u>26,481</u>	<u>26,406</u>

The other assurance services provided by Edward Thomas Peirson & Sons included: preparation of the financial statements for the year; assistance to the Trustees in the financial management of the charity's affairs by the preparation of quarterly management accounts; and payroll services. No member of the firm's audit team was involved in the provision of these other services.

### 11 TRUSTEES' REMUNERATION AND REIMBURSED EXPENDITURE

The Trustees, who are considered to be the key management personnel, were not remunerated for their services in the year or the preceding year.

Aggregate expenses of £155 were reimbursed during the year to one trustee (2022: £1,105 to one trustee). The reimbursed expenses in the both years related to sundry goods/services paid for on behalf of the charity.

Trustee indemnity insurance is included as part of the charity's overall insurance and the amount charged in these financial statements in this respect is £679 (2022: £660).

### 12 STAFF NUMBERS AND COSTS

The number of employees of the charity were as follows:

Activity	Involvement	2023	2022
Secretarial	Full time	1	1
	Part time - Approx. 2.5 days per week	2	2

The aggregate payroll cost in respect of these employees was as follows:

	2023	2022
	£	£
Salaries	52,204	52,199
Social security costs	3,857	3,908
Pension contributions	1,778	1,436
	<u>57,839</u>	<u>57,543</u>
Employment Allowance	(3,857)	(3,032)
	<u>53,982</u>	<u>54,511</u>

No employee had employment benefits in excess of £60,000 (2022: None).

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 13 TANGIBLE FIXED ASSETS

	Freehold Property for Operational Use £	Freehold Allotments Cricket Club & Other Land £	Almshouses		Office Equipment £	Total £
			Freehold Land & Buildings £	Fixtures & Fittings £		
<b>Cost or Valuation</b>						
Brought forward	130,000	443,000	1,450,000	28,165	22,550	2,073,715
Revaluation	-	(27,000)	140,000	-	-	113,000
Transfer to Social Investment	(130,000)	-	-	-	-	(130,000)
At 31 December 2023	-	416,000	1,590,000	28,165	22,550	2,056,715
<b>Cumulative Depreciation</b>						
Brought forward	1,388	48,797	80,556	26,942	22,294	179,977
Charge for the year	173	5,385	40,278	1,223	256	47,315
Revaluation	-	-	(120,834)	-	-	(120,834)
Transfer to Social Investment	(1,561)	-	-	-	-	(1,561)
At 31 December 2023	-	54,182	-	28,165	22,550	104,897
<b>Net Book Value</b>						
At 31 December 2023	-	361,818	1,590,000	-	-	1,951,818
At 31 December 2022	128,612	394,203	1,369,444	1,223	256	1,893,738

Cost or valuation at 31 December 2023 is represented by:

Valuation						
31 December 2023	-	356,000	1,590,000	-	-	1,946,000
Cost	-	60,000	-	28,165	22,550	110,715
	-	416,000	1,590,000	28,165	22,550	2,056,715

#### Basis for inclusion in the accounts

Freehold property for operational use was the premises at 10, Fairfield Road, Market Harborough which the charity purchased and subsequently redeveloped and refurbished as the charity's office. No depreciation was provided on the estimated land value of £100,000, which is included in the total cost/valuation at the start of the year. During the year the Charity vacated the premises and temporarily relocated its office to the Old Grammar School. The premises have subsequently been leased to another charity of a rent-free basis and, accordingly, have been transferred to a separate category of social investment within investment properties (see Note 15).

All of the freehold properties were revalued, with effect from 31 December 2023, at their open market value by Fisher German LLP, Chartered Surveyors. In addition, included within the cost or valuation of Allotments, Cricket Club & Other land, is £60,000 representing the cost to the charity of its contribution, as landlord, to the construction of new changing rooms for the Cricket Club and an extension of the courts to its Squash section. Depreciation of these costs commenced on the completion of the relevant works using a straight line basis over the remaining period of the lease.

Had the properties not been revalued they would have been included at the following historical cost:

	As At 31 December 2023			As At 31 December 2022		
	Property for Operational Use £	Allotments Cricket Club & Other Land £	Almshouses £	Property for Operational Use £	Allotments Cricket Club & Other Land £	Almshouses £
Cost	-	68,962	231,697	257,470	68,962	231,697
Aggregate depreciation	-	54,183	146,104	27,546	48,798	143,239
Net Book Value	-	14,779	85,593	229,924	20,164	88,458

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 13 TANGIBLE FIXED ASSETS (continued)

#### Heritage Assets

In addition to the assets shown above, the Charity owns a 17th Century building known as the Old Grammar School, Market Harborough, which was vested in the Charity during 2005 together with the other assets of the Market Harborough Exhibition Foundation Charity. The Old Grammar School is a local landmark and a listed building of significant historical and architectural importance, which the Trustees intend will form part of the Charity's permanent endowment to be maintained and preserved for its cultural significance to the town. Prior to the outbreak of the Covid-19 pandemic, the Charity made the building available for hire by the public, on a daily basis, in exchange for a specified contribution towards the annual running costs.

There is no information readily available as to the original cost of the building and the Trustees consider that there are no suitable techniques available to ascertain a reliable valuation for the property, certainly not without involving the Charity in significant costs which would outweigh any benefit.

As a result, in accordance with the permitted treatment for heritage assets in SORP (FRS 102) the Old Grammar School is not recognised as an asset in the Charity's balance sheet.

### 14 INTANGIBLE FIXED ASSETS

	31-Dec-23	31-Dec-22
	£	£
<b>Cost</b>		
Brought forward	6,932	6,932
Additions	-	-
At 31 December 2023	<u>6,932</u>	<u>6,932</u>
<b>Cumulative Amortisation</b>		
Brought forward	5,282	1,323
Charge for the year	1,650	3,959
At 31 December 2023	<u>6,932</u>	<u>5,282</u>
<b>Net Book Value</b>		
At 31 December 2023	<u>-</u>	<u>1,650</u>
At 31 December 2022	<u>1,650</u>	<u>5,609</u>

Intangible assets represent Basic Payment Scheme entitlements.

### 15 INVESTMENT PROPERTIES

	General Investment	Social Investment	31-Dec-23 Total	31-Dec-22
	£	£	£	£
Valuation at the beginning of the year	2,767,000	-	2,767,000	2,507,500
Transfer from Tangible Fixed Assets	-	128,439	128,439	-
Unrealised gains/(losses) on revaluation	(31,000)	46,561	15,561	259,500
Valuation at the end of the year	<u>2,736,000</u>	<u>175,000</u>	<u>2,911,000</u>	<u>2,767,000</u>
Historical cost at the end of the year	<u>562,312</u>	<u>257,469</u>	<u>819,781</u>	<u>562,312</u>

The general investment properties comprise various parcels of land and four retail shops, of which three have been converted into one, situated in High Street, Market Harborough. A formal open market valuation of these assets was undertaken by Fisher German LLP, Chartered Surveyors as at 31 December 2023 and is incorporated in these financial statements.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 15 INVESTMENT PROPERTIES (continued)

The Land in the charity's ownership includes:

Approximately 116.65 acres of farm land which is let in the year on a seasonal grazing licence. The property is subject to a restrictive covenant in favour of two predecessors in title whereby, in the event of any subsequent non-agricultural development being permitted, the charity will be required to pay 33% of any defined increase in value. The covenant extends to forty years from the date of grant;

Land situated a short distance to the north of Great Bowden village comprising 13.03 acres of grassland, which is let on seasonal grazing licences, and 6.45 acres which has been designated a Site of Special Scientific Interest ("SSSI"). The SSSI is subject to control by English Nature and the charity works closely with the Leicestershire and Rutland Wildlife Trust in ensuring that the ecological value of the site is protected and where possible enhanced. This land is subject to a similar restrictive covenant to that described above in relation to the farm land.

Two small permanent pasture paddocks situated close to the western fringe of Market Harborough town. One of these paddocks is subject to a fifty-year covenant in favour of the predecessor in title which commits the charity to pay away 33% of any uplift in value as a result of subsequent development beyond agricultural use; and

Various strips of land retained by the charity following previous significant land sales. Certain of these strips provide a possible means of access and services from adopted highways into potential development land which is not within the charity's ownership. In particular, a developer has recently expressed an interest in renewing a previous option (now expired) granting them the right to acquire the ransom strip in the event that the developer obtains planning permission for development on certain adjacent property, entry to which would be serviced over the ransom strip. However, at the present time in view of the uncertainties affecting their value, the Trustees have decided not to attribute any value to them in these financial statements.

### 16 INVESTMENT PORTFOLIO

	31-Dec-23	31-Dec-22
	£	£
Market value at the beginning of the year	15,236,396	17,216,856
Acquisitions at cost	18,015,755	1,955,214
Sales proceeds from disposals	(17,608,034)	(2,330,477)
Realised gains/(losses) on disposals	3,885	(15,351)
Unrealised gains/(losses) on revaluation	716,977	(1,589,846)
	<u>16,364,979</u>	<u>15,236,396</u>
Cash at bank on deposit/awaiting investment	-	352,838
Market value at the end of the year	<u>16,364,979</u>	<u>15,589,234</u>
Historical cost at the end of the year (excluding cash)	<u>15,648,002</u>	<u>12,845,647</u>

The realised gains/(losses) on disposals are shared between funds as follows:

General fund	8,183	-
Endowment fund	(4,298)	(15,351)
	<u>3,885</u>	<u>(15,351)</u>

The unrealised gains/(losses) on disposals are shared between funds as follows:

General fund	30,145	(83,858)
Endowment fund	686,832	(1,505,988)
	<u>716,977</u>	<u>(1,589,846)</u>

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 16 INVESTMENT PORTFOLIO (continued)

		31-Dec-23		31-Dec-22
		£	%	£
<b>Managed by Mercer</b>	<b>Class</b>			
Mercer Absolute Return Fixed Income Fund	A17H5200DGBP	476,936	2.91%	-
Mercer China Equity Fund	A1504000DGBP	568,629	3.47%	-
Mercer Diversifying Alternatives Strategies	I-1GBP HEDGE	1,611,470	9.85%	-
Mercer Dynamic Asset Allocation Fund	A17H5200DGBP	3,136,165	19.16%	-
Mercer Emerging Market Debt Hard Ccy Fd	A1907000DGBP	562,694	3.44%	-
Mercer Fundamental Index Glob Equity CCF	A1806GBPGB6	398,449	2.43%	-
Mercer Global Small Cap Equity Fund	M-3 GBP DIS	494,769	3.02%	-
Mercer Low Volatility Equity Fund	M-3 GBP DIS	314,913	1.92%	-
Mercer Multi-Asset Credit Fund	A1504000DGBP	1,989,024	12.15%	-
Mercer Passive Global REITS UCITS CCF	A17H52DGBPG4	688,506	4.21%	-
Mercer Sustainable Global Equity Fund	A1705000DGBP	978,034	5.98%	-
Mercer Sustainable Global Equity Fund	M-1 GBP Hdg	494,642	3.02%	-
Mercer Sustainable Listed Infra UCITS CCF	A1705DGBPGB6	318,396	1.95%	-
Mercer Synthetic Eq-Linked Dynamic Bd Fd	CLASS M-3GBP	1,018,465	6.22%	-
Mercer UCITS Alternatives Strategies	M-1 GBP Hdgd	379,022	2.32%	-
MGI Emerging Market Debt Fund	M-2 GBP DIS	568,147	3.47%	-
MGI Emerging Markets Equity Fund	A1605000DGBP	1,235,255	7.55%	-
MGI Eurozone Equity Fund	CLASS M-1GBP	168,142	1.03%	-
MGI Eurozone Equity Fund	M-2 GBP HEDG	486,231	2.97%	-
MGI UK EQUITY	CLASS M-2GBP	477,090	2.93%	-
<b>Managed by MHA Caves Wealth</b>		-		3,514,706
<b>Managed by Cazenove Capital Management</b>		-		7,590,511
<b>Managed by CCLA Investment Management</b>		-		4,484,017
		<u>16,364,979</u>	0.00%	<u>15,589,234</u>

Of the investments held at 31 December 2022, the following represented more than 5% of the total portfolio:

		Value	
		£	%
<b>Managed by Cazenove Capital Management</b>			
Findlay Park American Fund Inc.		804,116	5.16%
<b>Managed by CCLA Investment Management</b>			
COIF Charities property fund		904,163	5.80%
COIF Investment fund	Income Units	2,972,288	19.07%

The investments in the portfolio are carried at their fair value which is the quoted market value in respect of equities and fixed interest securities and the bid price for units in common investment funds, unit trusts and open-ended investment companies. Investment sales and purchases are recognised at the date of trade at their transaction value, net of costs in the respect of sales and inclusive of costs in respect of purchases.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 16 INVESTMENT PORTFOLIO (continued)

All investments are basic financial instruments traded on quoted public markets, primarily the London Stock Exchange. The Charity does not make use of derivatives and similar complex financial instruments as the Trustees take the view that investments are held for their longer term yield and total return and that any short-term volatility in the markets will normally be corrected in any five year period.

Investment returns are exposed to various risks which include credit, liquidity and market risks. Both credit and liquidity risks are assessed as low as the Charity invests predominantly in blue-chip securities in which the failure rate is historically low and all investments are traded on markets in which central banks and other regulators have an interest in ensuring continuation of orderly trading.

Market risk is the principal risk faced by the Charity due to a combination of uncertainty in investment markets and volatility in yields. These factors are of particular relevance to the Charity as it is reliant, in part, on dividends and interest to finance its grant making activities. As many of its collective investment funds include significant holdings in international equities and bonds which are denominated in foreign currencies, the Charity also has exposure to exchange rate risk.

The Trustees manage these risks by retaining the expert services of a fund manager, as shown in the above analysis of the portfolio, and in operating an investment policy which provides for a high degree of diversification of holdings within investment asset classes providing for a balance of income and long-term capital growth.

17 DEBTORS	31-Dec-23	31-Dec-22
	£	£
Accrued income	7,425	21,940
Prepayments	7,830	6,750
Other Debtors	12,304	6,074
Income tax recoverable	3,544	2,943
	<u>31,103</u>	<u>37,707</u>

Accrued income includes £7,185 (2022: £21,878) and Income tax recoverable includes £3,544 (2022: £2,943), which is attributable to cash flows from investing activities.

### 18 CREDITORS PAYABLE WITHIN ONE YEAR

	31-Dec-23	31-Dec-22
	£	£
Accruals	40,134	69,612
Other creditors	11,854	24,059
Taxation & Social Security	915	523
	<u>52,903</u>	<u>94,194</u>

Included within the heading of accruals are grants payable with a total value of £6,055 (2022: £2,556)

Other creditors include £3,850 (2022: £4,027) which is attributable to cash flows from investing activities.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 19 STATEMENT OF FUNDS

	At 1 January 2023	Income	Expenditure	Realised and Unrealised Gains or (Losses)	Transfers from Designated Funds	Transfers to Designated Funds	At 31 December 2023
	£	£	£	£	£	£	£
<b>Unrestricted funds:</b>							
<b>General funds</b>							
Revenue	781,626	546,523	(613,493)	84,889	250,899	(215,960)	834,484
<b>Designated funds</b>							
For Grants:							
Charitable grants	131,064	-	-	-	(179,299)	141,710	93,475
Church of. St. Peter & St. Paul, Great Bowden	50,000	-	-	-	-	-	50,000
Relief in Need grants	90,000	-	-	-	-	-	90,000
Educational grants	44,125	-	-	-	(71,600)	74,250	46,775
For Repairs:							
Allotments & Commercial Properties:							
Extraordinary repair	30,000	-	-	-	-	-	30,000
Almshouse:							
Extraordinary repair	40,000	-	-	-	-	-	40,000
Old Grammar School:							
Extraordinary repair	10,000	-	-	-	-	-	10,000
<b>Restricted fund:</b>							
<b>Income fund</b>	10,352	-	-	-	-	-	10,352
<b>Endowment fund</b>	19,558,877	-	(42,670)	885,368	-	-	20,401,575
	<b>20,746,044</b>	<b>546,523</b>	<b>(656,163)</b>	<b>970,257</b>	<b>-</b>	<b>-</b>	<b>21,606,661</b>

**General Funds** are unrestricted funds that the Trustees are free to use in accordance with the objects of the charity.

**Designated Funds** are unrestricted funds that have been earmarked by the Trustees for particular purposes. These purposes fall into two categories: the payment of grants; and future repairs and maintenance. Specifically they are as follows:

#### Charitable Grants:

The charitable grants relate to amounts pledged by the Trustees for charitable purposes where no binding commitment exists at the balance sheet date. Transfers are made to this fund from the general fund for amounts pledged in the year which have not been paid by the year end. A transfer is made from this fund to the general fund for amounts pledged in previous years which have either been paid in the year or where the pledge has been withdrawn.

#### Church of St. Peter & St. Paul, Great Bowden:

One of the Charity's objects is the maintenance and repair of the fabric of the Parish Church of the ecclesiastical parish of St. Peter and St. Paul, Great Bowden. The income to be applied for this purpose must not exceed 20% of the Charity's income in any three year period. A designated reserve for the purpose of meeting this expenditure is maintained at a level to ensure that the charity has sufficient funds to meet its ongoing obligations based on advice from representatives of the P.C.C.

#### Relief in Need grants:

The charity makes donations to individuals to relieve need, hardship and distress, which are referred to as Relief in Need grants. In order to ensure that sufficient funds are available to continue to meet such needs, the Trustees have agreed to maintain a reserve approximately equivalent to the Relief in Need grants paid in the last three years.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 19 STATEMENT OF FUNDS (continued)

Educational grants and bursary funds:

The Trustees invite applications from individuals for assistance with tuition fees and expenses for a first degree at a British university and for equipment and costs associated with apprenticeships and vocational training. A fund is maintained at a value which will enable the charity to meet its obligations to pay the fees of the successful applicants over the remainder of their courses. In addition, a fund is maintained to enable the charity to award bursaries, over a three year period, of up to £180,000 per annum, to schools within the area of benefit. This equates to a maximum of £20,000 per school per annum and the bursaries may be used for a wide range of educational purposes.

Repair funds:

The Extraordinary Repair Funds are established to cover the cost of non routine maintenance of the charity's properties.

Separate repair funds are maintained in respect of: the Allotments & Commercial Properties; and the Almshouses.

Amounts are transferred to these funds and are released back to the General Fund as the Trustees consider appropriate to offset the cost of non routine maintenance on the properties. The aggregate funds are to be maintained between a minimum of £50,000 and a maximum of £100,000.

An extraordinary repair fund is maintained for the Old Grammar School. The Old Grammar School is an ancient building which is in regular need of maintenance and repair. Following a major restoration project which was completed during 2014, the current ongoing commitment for expenditure has been substantially reduced and this is reflected in the level of reserves maintained for this purpose.

**Restricted income funds** represent funds donated to the Charity by the Market Harborough Musical Theatre on the understanding that they are to be applied to support performing arts in the area of benefit.

**The Endowment Fund** represents the permanent capital of the Charity. These funds must be held indefinitely and the Trustees have no power to convert the capital into funds which may be spent.

The movements in funds in the previous financial year were as follows:

	At 1 January 2022 £	Income £	Expenditure £	Realised and Unrealised Gains or (Losses) £	Transfers from Designated Funds £	Transfers to Designated Funds £	At 31 December 2022 £
<b>Unrestricted funds:</b>							
<b>General funds</b>							
Revenue	687,590	696,704	(859,918)	(83,858)	555,912	(214,804)	781,626
<b>Designated funds</b>							
For Grants:							
Charitable grants	208,490	-	-	-	(223,330)	145,904	131,064
Church of. St. Peter & St. Paul, Great Bowden	50,000	-	-	-	-	-	50,000
Relief in Need grants	90,000	-	-	-	-	-	90,000
Educational grants	51,114	-	-	-	(75,889)	68,900	44,125
Educational bursary	256,693	-	-	-	(256,693)	-	-
For Repairs:							
Allotments & Commercial Properties:							
Extraordinary repair	30,000	-	-	-	-	-	30,000
Almshouse:							
Extraordinary repair	40,000	-	-	-	-	-	40,000
Old Grammar School:							
Extraordinary repair	10,000	-	-	-	-	-	10,000
Carried forward	1,423,887	696,704	(859,918)	(83,858)	-	-	1,176,815



# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 19 STATEMENT OF FUNDS (continued)

	At 1 January 2022 £	Income £	Expenditure £	Realised and Unrealised Gains or (Losses) £	Transfers from Designated Funds £	Transfers to Designated Funds £	At 31 December 2022 £
<b>Unrestricted funds:</b>							
Brought forward	1,423,887	696,704	(859,918)	(83,858)	-	-	1,176,815
<b>Restricted fund:</b>							
<b>Income fund</b>	10,352	-	-	-	-	-	10,352
<b>Endowment fund</b>	20,918,161	-	(97,445)	(1,261,839)	-	-	19,558,877
	<u>22,352,400</u>	<u>696,704</u>	<u>(957,363)</u>	<u>(1,345,697)</u>	<u>-</u>	<u>-</u>	<u>20,746,044</u>

### 20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

#### As at 31 December 2023

	General Fund £	Designated Funds £	Restricted Fund £	Endowment Fund £	Total £
Tangible fixed assets	-	-	-	1,951,818	1,951,818
Intangible fixed assets	-	-	-	-	-
Investment properties	175,000	-	-	2,736,000	2,911,000
Investment portfolio	327,815	360,250	-	15,676,914	16,364,979
Cash held for investment	-	-	-	-	-
Sundry Debtors	31,103	-	-	-	31,103
Cash at Bank on Deposit	351,924	-	10,352	38,193	400,469
Cash in hand	195	-	-	-	195
Current Liabilities	(51,553)	-	-	(1,350)	(52,903)
Total Net Assets	<u>834,484</u>	<u>360,250</u>	<u>10,352</u>	<u>20,401,575</u>	<u>21,606,661</u>

#### As at 31 December 2022

	General Fund £	Designated Funds £	Restricted Fund £	Endowment Fund £	Total £
Tangible fixed assets	130,091	-	-	1,763,647	1,893,738
Intangible fixed assets	-	-	-	1,650	1,650
Investment properties	-	-	-	2,767,000	2,767,000
Investment portfolio	230,668	395,189	-	14,610,539	15,236,396
Cash held for investment	-	-	-	352,838	352,838
Sundry Debtors	37,673	-	-	34	37,707
Cash at Bank on Deposit	456,036	-	10,352	84,275	550,663
Cash in hand	246	-	-	-	246
Current Liabilities	(73,088)	-	-	(21,106)	(94,194)
Total Net Assets	<u>781,626</u>	<u>395,189</u>	<u>10,352</u>	<u>19,558,877</u>	<u>20,746,044</u>

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 21 OPERATING LEASE COMMITMENTS

The total minimum lease payments to which the Charity is committed under an operating lease for office equipment is shown below:

	31-Dec-23	31-Dec-22
	£	£
<b>Payments due in respect of leases expiring:</b>		
Within one Year	-	574
In two to five years	-	-
Total	<u>-</u>	<u>574</u>

Lease payments recognised as an expense in the Statement of Financial Activities amounted to £573 (2022: £573).

### 22 OTHER FINANCIAL COMMITMENTS

Commitments for the acquisition of tangible fixed assets, which were contracted for but not provided in the financial statements, amounted to £Nil (2022: £Nil).

### 23 RELATED PARTY TRANSACTIONS

At various times during the year the Charity has received applications for grants from other charitable organisations which have certain trustees in common with the Charity. In accordance with the Charity's procedures, the relevant trustees declared their interest and did not take part in any of the discussions relating to the grant application.

There were no other transactions with related parties during the year or the preceding financial year.