

THE PEMBERTON-BARNES TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE PEMBERTON-BARNES TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Trustees who served during the period and up to the date of this report were as follows: Ian McBryde Simon Males Victoria Muir Bridget Cass John Stephenson
Charity number	1177423 (Registered as a Charitable Incorporated Organisation on 5 March 2018)
Country of registration	England and Wales
Registered office	9 Thorney Leys Park Witney OX28 4GE
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane London United Kingdom EC1Y 0TL
Bankers	C. Hoare & Co. 37 Fleet Street London United Kingdom EC4P 4DQ
Accountants	Azets 9 Thorney Leys Park Witney Oxfordshire OX28 4GE
Investment managers	Rathbones Investment Management Limited Port of Liverpool Building Pier Head Liverpool L3 1NW United Kingdom

THE PEMBERTON-BARNES TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Investment managers

Sarasin and Partners
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

THE PEMBERTON-BARNES TRUST

CONTENTS

	Page
Trustees' report	1 - 6
Independent auditor's report	7 - 9
Statement of financial activities	10 - 11
Balance sheet	12
Statement of cash flows	13
Notes to the financial statements	14 - 27

THE PEMBERTON-BARNES TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their report and the audited financial statements for the year ended 31 March 2023.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the governing document, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

The Pemberton Barnes Trust is a charitable incorporated organisation created on 5 March 2018. The object of the CIO is, for the benefit of the public, to advance such exclusively charitable objects or purposes (according to the law of England and Wales) in any part of the world as the charity trustees may in their discretion think fit, but without limitation by the provision of financial support to charities. The CIO exercises all the powers available under the will and codicils of Miss E A Pemberton-Barnes (in respect of which a grant of probate was issued on 2 June 1948 and as amended by resolutions of the charity trustees of the Will Trust dated 31 July 2016 and 28 July 2017) governing the Will Trust, as may be amended from time to time. While the World may have moved on, the values and interests reflected in Emily Pemberton-Barnes' will have not and the needs of the charities and those they support in the East End of London and Essex and further afield remain as challenging as when Emily first wished to support them. The core interests and areas of support continue to be Christianity, young people and supporting those with disabilities.

The trustees review the aims, objectives and activities of the charity each year and look at what the charity has achieved and the outcomes of its work in the reporting period. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

As previously reported the trust reviewed its grant giving policy in 2021, on the basis that grants would be provided to charitable organisations on the basis of a three year term. As part of its grant giving policy, the trustees focus on organisations where the grant will be between 1% and 25% of its total funding. In practice this means funding organisations that are neither so large that the contribution has little impact, or so small that they are overly dependent on the trust's support. In the case of organisations that have historically become overly dependent on the trust's grant, the trustees look to taper the grant in the longer term. The trustees will not approve grants to organisations with large reserves, unless there is a specific reason,

To be considered, potential grantees are required to fill in detailed application forms providing full information on the organisation's aims, financial position and governance and safeguarding policies and the reporting of any incidents to the Charity Commission. Grantees are then required to submit annual detailed reports outlining how the grant was spent and the impact that the funding had on its activities.

In the year ending 31st March 2023, the trustees reviewed and approved reports received and grants were made to all organisations for the second year of the current cycle. It should be noted that all 'three-year grants' are unrestricted enabling the organisations to target funds where they are most needed.

The Trustees intend to visit all the organisations it supports over a three year grant cycle and made a number of visits during this reporting period. These visits are invaluable, not only to build stronger relationships with those supported by the Trust but also to enable Trustees to see first-hand the support being delivered.

In 2021 a number of 'One off' grants were awarded for the first time. The trustees recognised the value that these brought and repeated the process in this financial year. Going forward, this will become a core part of the grant giving strategy of the Trust. The past few years have witnessed many unforeseen challenges so the Trustees will retain the ability to change the focus of these grants as required.

THE PEMBERTON-BARNES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

During this financial year, four organisations were awarded unrestricted grants of £10,000 each:

- Hackney Quest aims to give young people, families and members of the community the practical and emotional support they need to develop and pursue their aspirations and deal positively with life's challenges.
- Future Youth Zone, based in Dagenham, believes that 'every young person can become the best version of themselves – if they believe in themselves'. Evenings and weekends, 52 weeks of the year, the team are there to support 8-19 year olds and those aged up to 25 with additional needs in East London to make friends, try new things and start their fantastic future.
- The Square Mile Hygiene Bank (Holy Sepulchre Church) believes that basic hygiene is not a privilege. Collaborating with local organisations to address hygiene poverty, the team provide an array of products including nappies, toothpaste and period products, which are provided free to those they support.
- Queen Victoria Seamen's Rest in Poplar has a long history of serving those in need, on both land and sea. The accommodation in Poplar is well established and provides a safe haven for up to 174 active and retired seafarers, Veterans and other homeless men.

For 'one-off' grants a similar approach of screening is used, in accordance with the Grants Policy, and follow up reports are requested on the use of the funds and the benefits provided .

THE PEMBERTON-BARNES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

The trustees have been concerned for some time that administration is becoming more complicated and time consuming. The previous administrator left due to other work commitments and the trustees took the decision to appoint Moore Insight to take over all administration, except accounting, with effect from 1st January 2023. The trust has appointed a dedicated individual to deal with the trust's business but within a team structure so ensure continuity. In addition, the trust now uses dedicated email addresses and file storage, rather than personal accounts, to improve communication and lower risk against cyber crime.

A designated fund was created in 2022 to show the amounts Trustees have committed to funding the annuitants in, subject to the satisfactory reporting. See Note 17.

In 2021 the trustees approved 14 three-year grants, totalling £280,000pa. Dependent on satisfactory reporting, these grants will run to 2023/24.

Havering Church	£40,000
St Dunstan's Church	£32,000
St Johns Bethnal Green	£24,000
Bethnal Green Mission Church	£16,000
SASRA – scripture readers	£24,000
Calvert Lake District	£32,000
Intercontinental Church Society	£8,000
East London Scouts	£24,000
Mission to Seafarers	£8,000
Fishermen's mission	£8,000
King George hospital	£16,000
Mind	£16,000
RABI	£8,000
Aggies	£24,000

The trust also made 'one-off' grants totalling £43,000 to the following organisations to help with specific projects:

Future Youth Zone	£ 10,000
Hackney Quest	£ 10,000
St. Sepulchre without Newgate	£ 10,000
QVSR Seafarers' Centres Group	£10,000
Sailors Society (Ukraine)	£3,000

THE PEMBERTON-BARNES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Financial review

The trust's principal source of investment income has traditionally been rents received from the property portfolio. The majority of the portfolio consisted of standard retail shop units in predominantly secondary locations. With the continued move to on-line shopping, and in part the effects of the pandemic, the tenant demand for such property has reduced significantly. Voids on expiry, tenant failures and reducing rental values will all affect future income streams and capital values. In addition the rises in interest rates following the September budget and the increased difficulties of obtaining property finance have all weighed on capital values.

The last formal valuation of the portfolio was carried out in March 2022 by Allsop who valued the four remaining properties in accordance with the RICS Valuation – Global Standards (Effective 31 January 2022) at a total of £3,600,000. For the purposes of the valuation of properties held at 31st March 2023, a trustees' valuation was carried out, with advice from Gerald Allison Advisors, and an aggregate figure of £3,050,000 has been adopted in these accounts. This shows a reduction in the valuation of the portfolio of 15.3% over the period.

The remaining property assets currently provide an income of £211,615 pa, although over two thirds of this is subject to break clauses and lease expiries within the next three years. The trustees will consider the sale of the last remaining properties as and when timing is deemed expedient.

With the reduction of exposure to directly held property, and the move to more diversified investment, the trust holds monies in managed charity funds. As at 31 March 2023, the trust held £1,631,551 in Rathbones Core Investment Fund for Charities, giving a return of -8.1% over the 12 month reporting period, and £1,276,167 in Sarasin Endowment Fund, which produced returns of -3.2% over the same period. A further £1,023,246, as at 31st March 2023, being unrestricted funds, was invested with Sarasin in a ring-fenced account during the financial year.

The trust has a Responsible Investment Policy incorporating Environmental, Social and Governance oversight over all its investments and the investment managers invest in line with that policy. The Trust's managing agents for its properties, BNP Paribas Real Estate also have an ESG policy that is applied to its clients' portfolios.

Principal risks and uncertainties

The principal risks and uncertainties facing the charity remain those inherent in investment in commercial property. However, with the majority of the high street shops sold, this risk has been reduced. The long-term solution is to continue the trustees' policy of diversification into managed funds.

With the diversification of assets from direct property to managed funds, the trustees review its Investment Policy which sets out the investment objectives, attitude to risk, ethical investment policy on an annual basis to ensure that it remains up to date and remains fit for purpose.

The trustees are aware of the risk of losing the skills of the individual trustees. At the time of the recruitment of four new trustees in 2020, the aim was to recruit trustees and to identify those key skills it needs and to ensure the trustee board comprises a broad range of skills and lived experience.

THE PEMBERTON-BARNES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Reserves policy and going concern

The financial statements are drawn up on a going concern basis, which assumes The Pemberton-Barnes Trust will continue in operational existence for the foreseeable future. The trust relies on income from investment property and multi-asset charity funds to fund its grants and the trustees seek to manage the risks around this income stream. The strategy of the sale of commercial properties and reinvestment in multi-asset charity funds is likely to cause a reduction in net income. By their nature, these funds invest in a diversified variety of assets and provide a more stable capital and income base, with lower outgoings. Going forward, the trust intends to adopt a total return approach from its investments, which should enable trustees to manage annual cash flows more easily.

The going concern basis used in the preparation of these financial statements is based upon the expectation that The Pemberton-Barnes Trust's income and expenditure on grants are at a level to ensure reserves and cash flow requirements are met. The Trustees have reviewed the financial position and financial forecasts, taking into account the levels of cash, working capital, net current assets and the systems of financial control and risk management. The Trustees believe that they are well placed to manage operational and financial risks successfully. The trustees consider the current and forecast cash resources to be sufficient to cover the working capital requirement for at least 12 months from the date of signing the accounts, and has determined that it remains appropriate to continue to adopt the going concern basis in preparing the accounts.

Plans for the future

The trust will provide support to organisations and good causes, continuing the wishes of Emily Pemberton-Barnes and building on the work of increased oversight of grants to ensure the maximum benefit. The trustees will continue to work closely with those organisations it supports to ensure that the trust's income is used in the most effective way.

Structure, governance and management

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

Ian McBryde
Simon Males
Victoria Muir
Bridget Cass
John Stephenson

This Charitable Incorporated Organisation was registered on 5 March 2018 under charity number 1177423. With the authority of an order of the Charity Commission dated 16 May 2018 the assets and undertaking of the E A Pemberton-Barnes Will Trust - charity number 207399 ('the Old Trust') - were transferred to it on 1 June 2018. The Old Trust was constituted under the terms of the 1924 will (with thirteen codicils) of Miss Emily Ann Pemberton-Barnes who died on 23 August 1943. The Will provided that the whole of the income be distributed in stated proportions called annuities between charities named in the will or later substituted by the trustees. In 2020 the trustees reviewed its approach to grant giving with effect from the 2021/22 year. This has enabled the trust to provide grants to a wider set of beneficiaries and provide flexibility to use the income as effectively as possible.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

Appointment of trustees

Trustees are appointed by the continuing and retiring trustees. Every trustee must be appointed by a resolution passed at a properly convened meeting of the charity trustees. In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO. There shall be no limit to the period for which an individual may serve as a charity trustee.

THE PEMBERTON-BARNES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Statement of trustees' responsibilities

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

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping proper 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. 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 corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was re-appointed as the charity's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 10 October 2023 and signed on their behalf by

Ian McBryde

Trustee

Dated: 10 October 2023

Bridget Cass

Trustee

Dated: 10 October 2023

THE PEMBERTON-BARNES TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE PEMBERTON-BARNES TRUST

Opinion

We have audited the financial statements of The Pemberton-Barnes Trust (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including 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 March 2023 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE PEMBERTON-BARNES TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PEMBERTON-BARNES TRUST

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 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 auditor 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 are set out below.

THE PEMBERTON-BARNES TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PEMBERTON-BARNES TRUST

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Sayer Vincent LLP

16 November 2023

Statutory Auditor

Invicta House
108-114 Golden Lane
London
EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

THE PEMBERTON-BARNES TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2023

Current financial year

		Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
	Notes			
<u>Income from:</u>				
Income from Investments	2	321,349	65	321,414
<u>Expenditure on:</u>				
Raising funds	3	34,120	14,385	48,505
<u>Charitable activities</u>				
Grant making	4	322,580	-	322,580
Total charitable expenditure		322,580	-	322,580
Total resources expended		356,700	14,385	371,085
Net income before gains on investments		(35,351)	(14,320)	(49,671)
Net (losses)/gains on investments	9	9,116	(768,838)	(759,722)
Gross transfers between funds		(46,148)	46,148	-
Fund balances at 1 April 2022		1,297,949	8,224,189	9,522,138
Fund balances at 31 March 2023		1,225,566	7,487,180	8,712,745

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

All income and expenditure derive from continuing activities.

THE PEMBERTON-BARNES TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

	Notes	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Income from:				
Income from Investments	2	364,041	1,190	365,231
Expenditure on:				
Raising funds	3	117,479	122,519	239,998
<u>Charitable activities</u>				
Grant making	4	420,383	-	420,383
Total charitable expenditure		420,383	-	420,383
Total resources expended		537,862	122,519	660,381
Net income before gains on investments		(173,821)	(121,329)	(295,150)
Net (losses)/gains on investments	9	-	835,264	835,264
Net (outgoing)/incoming resources before transfers		(173,821)	713,935	540,114
Gross transfers between funds		-	-	-
Net movement in funds		(173,821)	713,935	540,114
Fund balances at 1 April 2021		1,471,772	7,510,252	8,982,024
Fund balances at 31 March 2022		1,297,949	8,224,189	9,522,138

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

All income and expenditure derive from continuing activities.

THE PEMBERTON-BARNES TRUST

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investment properties	10	3,050,000		3,600,000	
Investments	11	3,930,963		3,094,018	
			6,980,963		6,694,018
Current assets					
Debtors	13	48,154		46,901	
Cash at bank and in hand		1,892,850		3,030,471	
			1,941,004		3,077,372
Creditors: amounts falling due within one year	14	(209,222)		(249,251)	
Net current assets			1,731,782		2,828,120
Total assets less current liabilities			8,712,745		9,522,138
Capital funds					
Endowment funds	16	7,487,180		8,224,189	
Income funds					
Unrestricted general funds		928,585		737,949	
Designated funds	18	304,000		560,000	
			8,712,745		9,522,138

The financial statements were approved by the Trustees on 10 October 2023

.....
Ian McBryde
Trustee

THE PEMBERTON-BARNES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	20		(412,368)		(553,336)
Investing activities					
Proceeds from disposal of investment property		-		3,246,000	
Purchase of other investments		(1,050,914)		(1,355,700)	
Proceeds from disposal of other investments		4,247		3,675	
Investment income received		321,414		365,231	
Net cash (used in)/generated from investing activities			(725,253)		2,259,206
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(1,137,621)		1,705,870
Cash and cash equivalents at beginning of year			3,030,471		1,324,601
Cash and cash equivalents at end of year			1,892,850		3,030,471

THE PEMBERTON-BARNES TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

The Pemberton-Barnes Trust is a charitable incorporated organisation registered on 5 March 2018 with the Charity Commission in England & Wales. The office address is 9 Thorney Leys Park, Witney, OX28 1PD.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The charity meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next reporting period.

1.3 Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Endowment funds are those subject to specific conditions set by donors or testators requiring that the capital must be maintained by the charity. The Endowment fund reflects the original benefaction to the charity from the will of Miss Emily Ann Pemberton-Barnes together with subsequent gains and subsequent losses.

Designated funds are included in the income funds of the charity, these are funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

1.4 Incoming resources

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

Where income received does not meet the requirement for income recognition in the current year, as entitlement does not exist at the balance sheet date, the charity recognises this as deferred income. The charity recognises deferred income as a liability in the balance sheet until the charity has entitlement.

THE PEMBERTON-BARNES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings;

- Expenditure on charitable activities included the cost of making grant payments undertaken to further the purposes of the charity and their associated support costs.
- Costs of raisings funds relate to professional costs incurred by the charity in managing the investment portfolios.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of costs

All support and governance costs are allocated to Grant Making.

Donations payable

Charitable grant payments are made to named beneficiaries in the furtherance of the charity's objects. Donations have now moved to fixed-term grants on a rolling basis. Grant recipients will be fully reviewed each year to ensure they reflect the values and interests reflected in Emily Pemberton-Barnes' will. The payments will be recognised where there is a legal or constructive obligation to expense the grant.

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

1.6 Investment properties

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

1.7 Fixed asset investments

Listed investments are a form of basic financial instrument initially measured at transaction price excluding transaction costs, and are subsequently measured at their fair value at the balance sheet date using the closing quoted market share. Changes in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains / (losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

1.8 Cash and cash equivalents

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

1.9 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1922 to the extent that these are applied to its charitable objects.

1.10 Debtors

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

THE PEMBERTON-BARNES TRUST

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

1 Accounting policies

(Continued)

1.11 Creditors and provisions

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

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

THE PEMBERTON-BARNES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Income from Investments

	Unrestricted funds general 2023 £	Endowment funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Endowment funds 2022 £	Total 2022 £
Rental income	218,046	-	218,046	327,608	-	327,608
Income from listed investments	90,110	-	90,110	36,368	-	36,368
Bank interest	13,193	55	13,248	65	1,081	1,146
Interest receivable	-	10	10	-	109	109
	<u>321,349</u>	<u>65</u>	<u>321,414</u>	<u>364,041</u>	<u>1,190</u>	<u>365,231</u>

THE PEMBERTON-BARNES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Raising funds

	Unrestricted funds general 2023 £	Endowment funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Endowment funds 2022 £	Total 2022 £
<u>Trading costs</u>						
Legal expenses	-	14,385	14,385	-	124,599	124,599
Investment property expenses	20,495	-	20,495	73,355	-	73,355
	<u>20,495</u>	<u>14,385</u>	<u>34,880</u>	<u>73,355</u>	<u>124,599</u>	<u>197,954</u>
Investment property manager fees	13,625	-	13,625	44,124	(2,080)	42,044
	<u>34,120</u>	<u>14,385</u>	<u>48,505</u>	<u>117,479</u>	<u>122,519</u>	<u>239,998</u>

4 Charitable activities

	Grant making 2023 £	Grant making 2022 £
Grant funding of activities (see note 5)	299,000	363,650
Share of support costs (see note 6)	4,761	4,181
Share of governance costs (see note 6)	18,820	52,552
	<u>322,580</u>	<u>420,383</u>

All expenditure on charitable activities shown in the 2022 and 2023 figures was unrestricted.

THE PEMBERTON-BARNES TRUST

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

5 Grant making

	Grant making 2023 £	Grant making 2022 £
Cost		
Havering Church	40,000	40,000
St Dunstan's Church	32,000	32,000
St John's Bethnal Green	24,000	24,000
Bethnal Green Mission Church	16,000	16,000
SASRA - Scripture readers	24,000	24,000
Calvert Lake District	32,000	32,000
Intercontinental Church Society	8,000	8,000
East London Scouts	-	24,000
Mission to Seafarers	8,000	8,000
Fishermen's Mission	8,000	8,000
King George Hospital	16,000	16,000
Mind	16,000	16,000
RABI	8,000	8,000
Aggies	24,000	24,000
The Ahoy Centre	-	10,000
East London Community Band	-	5,000
Future Youth Zone	10,000	10,000
Hackney Quest	10,000	10,000
St. Sepulchre without Newgate	10,000	10,000
Sea-Change Sailing Trust	-	10,000
ELMV Shadwell Basin Project	-	9,720
St Dunstons' and All Saints, Stepney	-	5,200
QVSR Seafarers' Centres Group	10,000	10,000
Sailors Society (Ukraine)	3,000	5,000
Written off old annuities payable	-	(1,270)
	<u>299,000</u>	<u>363,650</u>

Within grants paid for 2022 there is an adjustment of £1,270. This adjustment is in relation to minor underpayments to various charities from the financial year ended 31 March 2018.

THE PEMBERTON-BARNES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6 Support and governance costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Insurance	-	1,707	1,707	-	1,183	1,183
Legal expenses	-	6,352	6,352	-	41,637	41,637
Bank charges	465	-	465	455	-	455
Administration charges	3,976	-	3,976	3,091	-	3,091
Accountancy fees	-	2,948	2,948	-	4,106	4,106
IT software costs	288	-	288	362	-	362
Travel and subsistence	32	-	32	274	-	274
Auditor's remuneration	-	7,813	7,813	-	5,626	5,626
	<u>4,761</u>	<u>18,820</u>	<u>23,581</u>	<u>4,182</u>	<u>52,552</u>	<u>56,734</u>
Analysed between Charitable activities	<u>4,761</u>	<u>18,820</u>	<u>23,580</u>	<u>4,182</u>	<u>52,552</u>	<u>56,733</u>

7 Net movement in funds

	2023 £	2022 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the auditor for the audit of the financial statements	<u>6,300</u>	<u>5,500</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2022: £nil). No trustees received payment for professional services supplied to the charity. Trustee expenses paid or reimbursed in the period were £nil (2022: £273.52).

THE PEMBERTON-BARNES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Net gains/(losses) on investments

	Unrestricted funds general	Endowment funds	Total	Total
	2023	2023	2023	2022
	£	£	£	£
Revaluation of investments	9,100	(218,872)	(209,772)	30,283
Gain/(loss) on sale of investments	16	34	50	(19)
Revaluation of investment properties	-	(550,000)	(550,000)	460,000
Gain/(loss) on sale of investment properties	-	-	-	345,000
	<u>9,116</u>	<u>(768,838)</u>	<u>(759,722)</u>	<u>835,264</u>

All gains/losses shown in 2022 were relating to the endowment fund.

10 Investment property

	2023 £
Fair value	
At 1 April 2022	3,600,000
Net gains or losses through fair value adjustments	(550,000)
	<u>3,050,000</u>
At 31 March 2023	<u>3,050,000</u>

The fair value of the investment property has been assessed by the Trustees as at 31 March 2023. Although no formal valuation has taken the place, the valuation has been arrived at using current market conditions, such as sales proceeds of properties post year end and advice from third parties.

11 Fixed asset investments

	Listed investments £	Cash in portfolio £	Total £
Cost or valuation			
At 1 April 2022	3,094,018	-	3,094,018
Additions	1,050,914	-	1,050,914
Valuation changes	(209,772)	-	(209,772)
Reanalyse cash in portfolio	-	(116)	(116)
Disposals	(4,197)	-	(4,197)
	<u>3,930,963</u>	<u>(116)</u>	<u>3,930,847</u>
At 31 March 2023	<u>3,930,963</u>	<u>(116)</u>	<u>3,930,847</u>
Carrying amount			
At 31 March 2023	<u>3,930,963</u>	<u>(116)</u>	<u>3,930,847</u>
At 31 March 2022	<u>3,094,018</u>	<u>-</u>	<u>3,094,018</u>

THE PEMBERTON-BARNES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

11 Fixed asset investments		(Continued)	
		2023 £	2022 £
Investments at fair value comprise:			
Cash		(116)	-
UK Investment fund		3,930,963	3,094,018
		<u>3,930,847</u>	<u>3,094,018</u>
12 Financial instruments		2023 £	2022 £
Carrying amount of financial assets			
Equity instruments measured at cost less impairment		3,930,963	3,094,018
		<u>3,930,963</u>	<u>3,094,018</u>
13 Debtors		2023 £	2022 £
Amounts falling due within one year:			
Trade debtors		24,351	44,273
Prepayments		23,803	2,628
		<u>48,154</u>	<u>46,901</u>
14 Creditors: amounts falling due within one year		2023 £	2022 £
	Notes		
Other taxation and social security		86,359	91,180
Deferred income	15	49,855	49,109
Trade creditors		15,494	65,652
Other creditors		39,729	33,610
Accruals		17,784	9,700
		<u>209,221</u>	<u>249,251</u>

THE PEMBERTON-BARNES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

15 Deferred income

	2023 £	2022 £
Other deferred income	49,855	49,109
	<u> </u>	<u> </u>

Deferred income includes rent demands which were raised prior to 31 March 2023. The rent demands are invoiced and due quarterly in advance. The income has been deferred as to be recognised in the following accounting period to which it will relate and when the entitlement exists.

Movement in deferred income

Deferred income brought forward at 1 April 2022	49,109
Increase/(decrease)	746
	<u> </u>
Deferred income carried forward at 31 March 2023	49,855
	<u> </u>

THE PEMBERTON-BARNES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

16 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Balance at 1 April 2022	Incoming resources	Movement in funds			Balance at 31 March 2023
	£	£	Resources expended	Transfers	Revaluations gains and losses	£
Permanent endowments						
Investment portfolio	3,094,019	-	(3,290)	35,860	(218,870)	2,907,719
Cash in portfolio	212	3,334	-	(3,456)	-	90
Investment property	3,600,000	-	-	-	(550,000)	3,050,000
Cash	1,542,780	56	(14,385)	-	-	1,528,451
Debtors	-	-	-	13,744	-	13,744
Creditors	(12,824)	-	-	-	-	(12,824)
	<u>8,224,187</u>	<u>3,390</u>	<u>(17,675)</u>	<u>46,148</u>	<u>(768,870)</u>	<u>7,487,180</u>

	Balance at 1 April 2021	Incoming resources	Movement in funds			Balance at 31 March 2022
	£	£	Resources expended	Transfers	Revaluations gains and losses	£
Permanent endowments						
Investment portfolio	1,711,729	1,350,000	(3,693)	-	35,983	3,094,019
Cash in portfolio	49	3,784	(3,620)	-	-	212
Investment property	6,041,000	-	(2,901,000)	-	460,000	3,600,000
Cash	(229,702)	3,247,081	(1,474,599)	-	-	1,542,780
Creditors	(12,824)	-	-	-	-	(12,824)
	<u>7,510,252</u>	<u>4,600,865</u>	<u>(4,382,912)</u>	<u>-</u>	<u>495,983</u>	<u>8,224,187</u>

Purpose of endowment funds

At 31 March 2023 the charity held endowment funds of £7,487,180 which comprised of an investment portfolio and investment properties transferred from the subsidiary on 1 April 2019, including a new portfolio invested in during November 2021, with subsequent gains and losses being recognised.

THE PEMBERTON-BARNES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Unrestricted funds - designated

These are unrestricted funds which are material to the charity's activities made up as follows:

	Movement in funds				Movement in funds					
	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 March 2023
	£	£	£	£	£	£	£	£	£	£
Designated funds	-	-	-	560,000	560,000	-	(256,000)	-	-	304,000
Cash	1,554,252	493,606	(560,383)	(560,000)	927,477	318,248	(139,743)	(1,045,681)	-	60,301
Debtors	24,380	-	22,521	-	46,901	1,253	-	(13,744)	-	34,410
Creditors	(106,861)	(129,566)	-	-	(236,427)	47,049	-	-	-	(189,378)
Investment portfolio	-	-	-	-	-	-	(907)	1,015,053	9,100	1,023,246
Cash in portfolio	-	-	-	-	-	2,771	(988)	(1,777)	-	6
	<u>1,471,771</u>	<u>364,040</u>	<u>(537,862)</u>	<u>-</u>	<u>1,297,951</u>	<u>369,321</u>	<u>(397,638)</u>	<u>(46,149)</u>	<u>9,100</u>	<u>1,232,585</u>

The designated funds for grants awarded represent multi-year grants that the charity has the intention of making, but which are not recognised as a liability as future years of funding are subject to satisfactory reporting from the grant recipient.

THE PEMBERTON-BARNES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

18 Analysis of net assets between funds

	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Fund balances at 31 March 2023 are represented by:			
Investment properties	-	3,050,000	3,050,000
Investments	1,023,156	2,907,809	3,930,965
Current assets/(liabilities)	202,409	1,529,371	1,731,780
	<u>1,225,565</u>	<u>7,487,180</u>	<u>8,712,745</u>
	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Fund balances at 31 March 2022 are represented by:			
Investment properties	-	3,600,000	3,600,000
Investments	(212)	3,094,232	3,094,018
Current assets/(liabilities)	1,298,161	1,529,957	2,828,120
	<u>1,297,949</u>	<u>8,224,189</u>	<u>9,522,138</u>

19 Related party transactions

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

20 Cash generated from operations

	2023 £	2022 £
(Deficit)/surplus for the year	(809,393)	540,114
Adjustments for:		
Investment income recognised in statement of financial activities	(321,414)	(365,231)
Gain on disposal of investment property	-	(345,000)
(Gain)/loss on disposal of investments	(50)	19
Fair value gains and losses on investment properties	550,000	(460,000)
Fair value gains and losses on investments	209,772	(30,283)
Movements in working capital:		
(Increase) in debtors	(1,253)	(22,521)
(Decrease)/increase in creditors	(40,776)	161,197
Increase/(decrease) in deferred income	746	(31,631)
Cash absorbed by operations	<u>(412,368)</u>	<u>(553,336)</u>

THE PEMBERTON-BARNES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

21 Post balance sheet event

On 24 May 2023 the property held by the Trust in York was sold for £475,000.