

THE DOWNFORCE TRUST
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 2023

THE DOWNFORCE TRUST

CHARITY INFORMATION

Trustees	Dr Adam Parr (Chair) Merrick Hugh Denton-Thompson OBE (appointed 25/08/2022) Matthew Mungo Tristram Soggot (appointed 25/08/2022) Charles Brecque (resigned 24/08/2023) Mary Catherine DiNunzio (resigned 24/08/2023)
Charity Registration Number	1187541
CIO Number	CE020425
Registered Office	2 Littlegate Street Oxford OX1 1QT
Independent Examiner	Amir Absoud FCA Upstreamly Chartered Accountants 7 Albert Buildings 49 Queen Victoria Street London EC4N 4SA

THE DOWNFORCE TRUST

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The Downforce Trust

Trustees' Annual Report

1 February 2022 – 31 January 2023

Objectives and activities

Purposes	Environmental Protection and Improvement.
Main activities	Grant-making, promotion of environmentally-sustainable practices in agriculture, and investment in environmental technologies.
Public benefit	The trustees have had regard to the guidance issued by the Charity Commission on public benefit.

Achievements and Performance

The Trust expanded its activities in FY2023.

A. System of Rice Intensification (SRI)

The Trust has a team working to promote sustainable rice and has been nominated for the Earthshot Prize 2023. Further information: www.sri-2030.org.

B. Climate and Security

The Trust has agreed to fund the secretariat of a new All Party Parliamentary Group (APPG) on Climate and Security. The group brings together politicians with military and academic experts on the implications of climate change on the UK and international security. The APPG Secretariat operates independently of the Trust. Further information: www.appgclimsec.uk.

C. Nuclear power

Nuclear power is an established technology that can provide a stable base load of low-carbon energy in the UK to supplement the country's growing renewables. There is an urgent need to support the UK Government's policies on nuclear with effective legislation. The Trust has agreed to fund a new parliamentary group 'Legislators for Nuclear' co-founded by two directors of Peers for the Planet, Baroness Worthington and Lord Ravensdale. Legislators for Nuclear operates independently of the Trust. Website forthcoming.

D. Downforce®

Downforce Technologies Limited (DTL) continued to make strong progress in product development and customer success. As a result of further fundraising and the sale of some shares to DTL founders and other shareholders, the Trust's stake in DTL has reduced. The two trustees who were also directors of DTL stepped down from the Trust and were replaced by two new trustees. Further information: www.downforce.com.

E. Grants

The Trust made a grant to the University of Oxford for research on beef farming in the Amazon and sponsored Apolitical's 100 Climate Policy Breakthroughs 2023: www.apolitical.co/solution-articles/en/50-climate-policy-breakthroughs-2023.

Financial Review

The Trust's accounts for the financial year are appended. The Trust holds reserves to fund its future commitments and had cash and equivalent reserves of just over £1.5 million at the end of the year. The Trust is a going concern.

Structure, governance and management

The Trust is constituted as a CIO whose governing document is its Constitution dated 23 Jan 2020.

New trustees are selected by the trustees from time to time to ensure that the trustees as a whole have the relevant capabilities and experience to oversee the Trust's activities.

Reference and administrative details

Charity name	The Downforce Trust
Other name the charity uses	Homeland Conservation
Registered charity number	1187541
CIO number	CE020425
Charity's principal address	2 Littlegate Street, Oxford, OX1 1QT



Names of the trustees who manage the charity

Trustee name	Office (if any)	Dates acted if not for whole year
Adam Parr	Chair	
Mary Catherine DiNunzio	Trustee	1 February 2022 to 24 August 2023
Charles Brecque	Trustee	1 February 2022 to 24 August 2023
Mungo Soggot	Trustee	25 August 2022 to 31 January 2023
Merrick Denton-Thompson	Trustee	25 August 2022 to 31 January 2023

Declarations

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees:

Signature		 <small>Matthew Soggot (Jul 28, 2023 17:46 GMT+1)</small>
	Full name	Adam Parr
	Chair	Trustee
Date	<div>28/06/2023</div>	

THE DOWNFORCE TRUST

STATEMENT OF RESPONSIBILITIES

FOR THE YEAR ENDED 31 JANUARY 2023

Statement of responsibilities

The trustees are responsible for preparing the Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts 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 for that year.

In preparing these accounts, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE DOWNFORCE TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE DOWNFORCE TRUST ("THE CIO")

FOR THE YEAR ENDED 31 JANUARY 2023

Independent examiner's report to the trustees of The Downforce Trust

I report to the trustees on my examination of the accounts of The Downforce Trust ("the CIO") for the year ended 31 January 2023.

Responsibilities and basis of report

As the charity trustees of the CIO, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

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

Independent examiner's statement

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

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

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

Amir Absoud

Date: 28th June 2023

Amir Absoud FCA

Member of the Institute of Chartered Accountants in England and Wales (ICAEW)
Upstreamly Chartered Accountants
7 Albert Buildings
49 Queen Victoria Street
London
EC4N 4SA

THE DOWNFORCE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2023

	Notes	All unrestricted, restricted and endowment 2023 funds £	All unrestricted, restricted and endowment 2022 funds £
Incoming resources			
Donations and legacies	2	-	600,000
Investment income		1,346	22
Total incoming resources		1,346	600,022
Resources expended			
Expenditure on:			
Charitable activities	3	227,508	50,257
Total resources expended		227,508	50,257
Net (expenditure)/income before investment gains		(226,162)	549,765
Net gains on investments – disposal of shares in Downforce Technologies Limited		1,073,780	72,931
Net income		847,618	622,696
Net movement in funds		847,618	622,696
Reconciliation of funds:			
Total funds brought forward		749,045	126,349
Total funds carried forward		1,596,663	749,045

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

All income and expenditure derive from continuing operations.

The Downforce Trust has no funds other than general unrestricted funds.

THE DOWNFORCE TRUST

(CHARITY NUMBER: 1187541)

BALANCE SHEET

AS AT 31 JANUARY 2023

	Notes	31 January 2023 £	31 January 2022 £
Fixed Assets			
Social Investments	6	67,789	97,963
Current assets			
Cash at bank and in hand		1,531,515	651,082
Debtors	7	323	-
Liabilities			
Creditors: amounts falling due within one year	8	(2,964)	-
Net current assets		1,528,874	651,082
Net assets		1,596,663	749,045
Funds of the charity			
Unrestricted funds	9	1,596,663	749,045
Total charity funds		1,596,663	749,045

All assets and liabilities derive from general unrestricted funds.

The accounts were approved by the Trustees on 28th June 2023.



Dr Adam Parr
Trustee

THE DOWNFORCE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operations	11	(224,867)	549,743
Cash flows from investing activities			
Interest on cash balances		1,346	22
Proceeds from sale of investments		1,103,954	74,980
Purchase of investments		-	(100,012)
Net cash provided by/(used in) investing activities		1,105,300	524,733
Net cash from financing activities		-	-
Net increase in cash and cash equivalents		880,433	524,733
Cash and cash equivalents at beginning of period		651,082	126,349
Cash and cash equivalents at end of period		1,531,515	651,082

The notes to the accounts are shown on pages 9 to 12.

THE DOWNFORCE TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JANUARY 2023

1. Accounting policies

1.1 Charity information

The Downforce Trust is a Charitable Incorporated Organisation ("the CIO") with registration number 1187541 and was registered on 23 January 2020 in England. The Downforce Trust's governing document is its constitution which covers a wide range of areas including charitable objects, trustee meetings, recruitment of trustees, recruitment of members, roles of responsibilities of both members and trustees, dealing with issues and conflicts of interest.

1.2 Basis of preparation

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102 and the Charities Act 2011.

The accounts are prepared in pound sterling, which is the functional currency of The Downforce Trust. Monetary amounts in these accounts are rounded to the nearest pound sterling.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

1.3 Public benefit entity

The Downforce Trust is a Public Benefit Entity as defined by FRS 102.

1.4 Individual accounts

In England and Wales, any parent charity where the aggregate gross income of the group, the parent charity and its subsidiaries, exceeds £1 million after consolidation adjustments must prepare consolidated accounts. The CIO's along with its investment in Downforce Technologies Limited (a company registered in England and Wales with registered number: 12987689) has not exceeded this gross income threshold for the year ended 31 January 2022 where the investment was a subsidiary. For the year ended 31 January 2023, the investment in the subsidiary was reduced to an associate by virtue of its reduction in its holding from a controlling one, to one with significant influence. These accounts are thus separate accounts and present information about the CIO as an individual undertaking.

Downforce Technologies Limited is developing an application to measure soil health and soil organic carbon levels, with a view to improve the use of natural capital and ultimately limit climate change. These activities are aligned with the aims of the CIO.

1.5 Going concern

The CIO is reliant on generating income from investments and donations. On the basis of this income and the ongoing activities of the CIO, the Trustees are of the opinion that there are no material uncertainties that the CIO's activities are able to continue for the foreseeable future, being twelve months from the date of approval of the accounts, and therefore have prepared the accounts on a going concern basis.

1.6 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

1.7 Incoming resources

Income is recognised when the CIO 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.

THE DOWNFORCE TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

1.7 Incoming resources (continued)

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

Interest on deposit funds held is included when receivable and the amount can be measured reliably by the charity which is normally upon notification of the interest paid or payable by the bank.

1.8 Resources expended and allocation of support costs

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Charitable expenditure comprises those costs incurred by the CIO in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

The cost of overall direction and administration of each activity, comprising the staff cost and overhead costs of the central function, is apportioned based on staff time, of the amount attributable to each activity.

1.9 Social Investments

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

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

1.11 Social Investments

Social Investments in subsidiaries and associates are measured using the cost model at cost less impairment. The statement of financial activities includes the net gains and losses arising on disposals of investments throughout the year. Realised gains and losses on disposal are calculated as the difference between sales proceeds and their purchase value. The CIO does not acquire put options, derivatives or other complex financial instruments.

1.12 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. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

1.13 Creditors

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

1.14 Pensions

The CIO operates a defined contribution scheme. The obligations for contributions to the scheme are recognised as an expense in the period they are incurred.

THE DOWNFORCE TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

2. Donations and legacies

	2023 £	2022 £
General donations	-	600,000
	-	600,000

All donations relate to unrestricted funds.

3. Analysis of resources expended

	Direct costs £	Support costs (note 4) £	Grant funding of activities £	Total costs £
Current year				
System of Rice Intensification (SRI)	182,722	4,786	-	187,508
Downforce® Software	-	-	-	-
Education & Research	-	-	40,000	40,000
Charitable activities	182,722	4,786	40,000	227,508

	Direct costs £	Support costs (note 4) £	Grant funding of activities £	Total costs £
Prior Year				
System of Rice Intensification (SRI)	6,637	1,704	-	8,341
Downforce® Software	12,850	-	-	12,850
Education & Research	-	-	29,066	29,066
Charitable activities	19,487	1,704	29,066	50,257

All grants were paid to institutions to assist with their projects on reducing the climate impact of agriculture and to provide educational content of the same. Please see the Trustees' report for further details of the grants paid.

All expenditure was unrestricted.

THE DOWNFORCE TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

4. Analysis of support costs

Current year	Basis of apportionment	IT £	Governance costs £	Total £
System of Rice Intensification (SRI)	Allocated on time	950	3,836	4,786
Downforce® software	Allocated on time	-	-	-
Education & Research	Allocated on time	-	-	-
Charitable Activities		950	3,836	4,786

Prior year	Basis of apportionment	IT £	Governance costs £	Total £
System of Rice Intensification (SRI)	Allocated on time	490	1,214	1,704
Downforce® software	Allocated on time	-	-	-
Education & Research	Allocated on time	-	-	-
Charitable Activities		490	1,214	1,704

Governance costs comprise £1,500 (2022: £300) of independent examination fees; £852 (2022: £nil) of other accounting fees payable to the independent examiner; £1,464 (2022: £914) insurance costs; and £20 (2022: £nil) bank fees. No support costs relate to grant-making activities.

5. Analysis of staff costs and key management personnel

	2023 £	2022 £
Wages and salaries	78,500	6,000
Social security costs	3,266	637
Pension costs	3,925	-
Health insurance	457	-
	86,148	6,637

The charity trustees were not paid or received any other benefits from employment with the CIO or its subsidiary in the year (2022: £nil) neither were they reimbursed expenses during the year (2022: £nil).

The average number of employees during the period was 2 (2022: nil) and these staff were all employed to undertake direct charitable services.

No member of staff (2022: nil) received greater than £60,000 in total benefits from the CIO during the year.

The CIO operates a defined contribution pension plan. During the year, £3,925 (2022: £nil) was recognised as an expense in relation to this plan. £795 (2022: £nil) was payable to the pension scheme at the balance sheet date.

THE DOWNFORCE TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

6. Social Investments

Cost	Subsidiary Undertaking £	Associate £	Total £
At 1 February 2022	97,963	-	97,963
Additions	-	-	-
Disposals	(30,174)	-	(30,174)
Loss of controlling share	(67,789)	67,789	-
Revaluation	-	-	-
At 31 January 2023	-	67,789	67,789

All amounts relate to investments in shares of Downforce Technologies Limited ("DTL"), a company limited by shares, registered in England, with registered number 12987689 and whose registered office is Buxton Court, Minns Business Park, Unit 3 West Way, Botley, Oxford, England, OX2 0JB.

The investment is classed as a Mixed Motive Social Investment, held partly for financial gain and partly for the furtherance of the Charity's aims. Divestment during the year resulted in the reclassification from subsidiary to associate. At the year end, the CIO held 43.7% (2022: 63.1%) of the ordinary share capital of DTL.

If the investment were accounted for under the equity method, the carrying value would be £nil (2022: £nil) due to losses incurred by DTL during its R&D phase, and the uncertainty of the future profitability of DTL. No dividends or distributions have been received from DTL.

7. Debtors

	2023 £	2022 £
Other debtors	323	-
	323	-

8. Creditors

	2023 £	2022 £
Trade creditors	669	-
Other creditors	795	-
Accruals	1,500	-
	2,964	-

Other creditors comprises pensions payable of £795 (2022: £nil) which were paid shortly after the balance sheet date.

THE DOWNFORCE TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

9. Unrestricted funds

Current year	Balance at the start of the year £	Income £	Gains £	Expenditure £	Balance at the end of the year £
General fund	749,045	1,346	1,073,780	(227,508)	1,596,663
	749,045	1,346	1,073,780	(227,508)	1,596,663
Prior year	Balance at the start of the previous year £	Income £	Gains £	Expenditure £	Balance at the end of the previous year £
General fund	126,349	600,022	72,931	(50,257)	749,045
	126,349	600,022	72,931	(50,257)	749,045

10. Related party transactions

During the year, grants of £10,000 (2022: £2,000) were paid to Apolitical Group Limited, a company in which one trustee, Dr Adam Parr, was a director. His directorship ceased on 25 August 2022.

There are no other related party transactions (2022: nil).

11. Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for the reporting period (as per the statement of financial activities)	847,618	622,696
Adjustments for:		
Interest income	(1,346)	(22)
Net gains on investments	(1,073,780)	(72,931)
Increase in debtors	(323)	-
Increase in creditors	2,964	-
Cash (used)/ generated from operations	(224,867)	549,743