

Charity registration number: 1197479
Company registration number: 13723061

Middle Way Trust

Annual Report and Unaudited Financial Statements

for the year ended

30th November 2024

Wenn Townsend

Chartered Accountants

Oxford

Middle Way Trust

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Middle Way Trust
Charity Reference and Administrative Details
for the year ended 30th November 2024

Charity registration number:	1197479
Company registration number:	13723061
Trustees:	C Blackburn R M Kirtland
Registered office:	Prama House 267 Banbury Road Oxford OX2 7HT
Independent Examiner:	Wenn Townsend 30 St Giles Oxford OX1 3LE

Middle Way Trust

Trustees' Annual Report (including Directors' Report) for the year ended 30th November 2024

The Trustees present their report and the audited financial statements of the charity for the year ended 30th November 2024. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

Trustees of the charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:-

C Blackburn
R M Kirtland

Objectives and activities

The charity's objects are for the public benefit and specifically restricted to benefit such charitable institutions or charitable purposes (according to the law of England and Wales) as the directors shall from time to time think fit through making grants and awards.

Fundraising standards information

The charity has not undertaken any significant fundraising activities in the period.

Public benefit statement

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities

Achievements, performance and financial review

The charity was established in 2021 by the very generous donation of the initial fund of £3.2m by Priscilla Tolkien, youngest child and only daughter of the author, J R R Tolkien, and has been registered with the Charity Commission as a registered charity. In the financial year 2022/23 the charity received a further bequest of £956,263 from the Estate of Priscilla Tolkien.

During 2023/24 the charity's total income was £104,077 representing income from the invested donations.

The charity awarded grants in the year to 17 organisations totalling £155,980.

The overall excess of expenditure over income for the year was £83,796 and net gains on investments amounted to £642,232. Reserves at 30th November 2024 were £4,650,965.

Reserves policy

The charity has invested £4.6m to generate an income return as well as maintain capital growth in line with inflation. In addition the charity has £24k of other reserves that can be used to make grants. The charity's policy is to maintain its capital reserves in line with inflation to provide an increasing annual income to be used to make grants.

Plans for future periods

The charity will continue to manage its investments to achieve a suitable return and to seek to make annual grants to charities from income.

Structure, governance and management

The Charitable Company is governed by its Memorandum and Articles of Association which were adopted on incorporation on 4 November 2021. It is registered as a charity with the Charity Commission. The liability of members in the event of a winding up is limited by guarantee to an amount not exceeding £1 per member. At the balance sheet date there were two members.

Risk management

The trustees have reviewed the major risks facing the charity, and systems or procedures have been established to manage those risks.

Middle Way Trust

Trustees' Annual Report (including Directors' Report) for the year ended 30th November 2024

Trustees' responsibilities

The Trustees (who are also directors of Middle Way Trust for the purposes of company law) 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).

Company law requires the Trustees to prepare the financial statements for each financial year, which give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for the year. 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 2019 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity and the group will continue in operation.

The Trustees are responsible for keeping adequate accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company and enables them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking any reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared having taken advantage of the small companies' exemption in the Companies Act 2006.

On behalf of the board

.....
R M Kirtland
Trustee

3rd July 2025

Independent Examiner's Report to the Trustees of Middle Way Trust

I report to the charity trustees on my examination of the accounts of the company for the year ended 30th November 2024 which are set out on pages 5 to 7

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of [insert name of applicable listed body], which is one of the listed bodies.

I have completed my examination. I confirm that no 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 company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

Signed:

Benjamin Hayes BSc FCA
Wenn Townsend
30 St Giles, Oxford. OX1 3LE
3rd July 2025

Middle Way Trust

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 30th November 2024

	Note	Unrestricted funds £	Total 2024 £	Total 2023 £
Income from endowments from:				
Donations and legacies	2	-	-	956,263
Investments	3	104,077	104,077	42,044
Total income and endowments		104,077	104,077	998,307
Expenditure on:				
Generating funds:				
Investment management fees		26,030	26,030	-
Charitable activities	4	161,843	161,843	99,362
Total expenditure		187,873	187,873	99,362
Net (expenditure)/income		(83,796)	(83,796)	898,945
Net gains on investments	8	642,232	642,232	17,250
Net movement in funds		558,436	558,436	916,195
Reconciliation of funds:				
Total funds brought forward		4,092,529	4,092,529	3,176,334
Total funds carried forward		4,650,965	4,650,965	4,092,529

All income and expenditure derive from continuing activities.

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

The notes on pages 8 to 13 form part of these financial statements

Middle Way Trust
Balance Sheet
as at 30th November 2024

	Note	2024 £	2023 £
Fixed assets			
Investments	8	4,626,662	3,806,383
Current assets			
Cash at bank and in hand		184,196	306,908
		<u>184,196</u>	<u>306,908</u>
Creditors: amounts falling due within one year	9	(159,893)	(20,762)
Net current assets		<u>24,303</u>	<u>286,146</u>
Net assets	10	<u><u>4,650,965</u></u>	<u><u>4,092,529</u></u>
Charity Funds			
Unrestricted funds		4,650,965	4,092,529
Total charity funds	10	<u><u>4,650,965</u></u>	<u><u>4,092,529</u></u>

For the year ending 30th November 2024 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements were approved and authorised for issue by the Board on 3rd July 2025.

Signed on behalf of the board of trustees

.....
R M Kirtland
Trustee

Company registration number: 13723061

The notes on pages 8 to 13 form part of these financial statements

Middle Way Trust

Notes to the Financial Statements for the year ended 30th November 2024

1. Summary of significant accounting policies

(a) General information and basis of preparation

Middle Way Trust is a charitable company limited by guarantee incorporated in England / Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are included in the Trustees' Report.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), Charities Act 2006, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) 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.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP. Further detail is given in the Trustees' Annual Report.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Middle Way Trust

Notes to the Financial Statements (continued) for the year ended 30th November 2024

1. Summary of significant accounting policies (continued)

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

(f) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

(g) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(h) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(i) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(j) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Middle Way Trust

**Notes to the Financial Statements (continued)
for the year ended 30th November 2024**

2. Income from donations and legacies

	2024 £	2023 £
Bequest	-	956,263
	<u>-</u>	<u>956,263</u>
	<u><u>-</u></u>	<u><u>956,263</u></u>

3. Income from investments

	2024 £	2023 £
Income from listed investments	104,077	39,132
Interest receivable	-	2,912
	<u>104,077</u>	<u>42,044</u>
	<u><u>104,077</u></u>	<u><u>42,044</u></u>

4. Analysis of expenditure on charitable activities

	Grant funding of activities 2024 £	Support costs 2024 £	Total 2024 £	Total 2023 £
Charitable grants awarded (see note 4.1)	155,980	-	155,980	93,000
Governance costs	-	5,863	5,863	6,362
	<u>155,980</u>	<u>5,863</u>	<u>161,843</u>	<u>99,362</u>
	<u><u>155,980</u></u>	<u><u>5,863</u></u>	<u><u>161,843</u></u>	<u><u>99,362</u></u>

Middle Way Trust

Notes to the Financial Statements (continued) for the year ended 30th November 2024

4.1 Analysis of grants awarded

To institutions:	2024 £	2023 £
Amber Trust	5,000	-
Archway Foundation	-	10,000
Awards for Young Musicians	10,000	5,000
Building Bridges for Peace	5,000	-
Forgiveness Project	5,000	-
Home-Start Oxford	15,000	15,000
Kestrel Theatre Company	10,000	5,000
MyVision Oxfordshire	10,000	5,000
Onwards and Upwards	10,000	10,000
Orchestra of St John	5,000	-
Oxford Bach Choir	5,980	3,000
SeeSaw	15,000	10,000
SOFEA	15,000	10,000
Sylva Foundation	10,000	-
Tablet Trust	5,000	-
Wild Oxfordshire	5,000	10,000
Workaid	10,000	-
Yellow Submarine	15,000	10,000
	<u>155,980</u>	<u>93,000</u>

5. Support costs

	Total 2024 £	Total 2023 £
Independent examination / audit and accountancy	5,201	6,120
Bank charges	167	189
Sundry expenses	495	53
Total	<u>5,863</u>	<u>6,362</u>

6. Independent examiner's / auditor's remuneration

The independent examiner's remuneration for the year ended 30 November 2024 amounts to an independent examination fee of £1,320 and other accountancy fees of £3,881.

The auditor's remuneration for the year ended 30 November 2023 amounted to an audit fee of £3,540 and other accountancy fees of £2,580.

Middle Way Trust

Notes to the Financial Statements (continued) for the year ended 30th November 2024

7. Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2023: nil).

The trustees did not have any expenses reimbursed during the year (2023: nil).

8. Fixed asset investments

	2024 £	2023 £
Quoted investments were as follows:- (All listed)		
Market value at 1st December 2023	3,806,383	-
Acquisitions at cost	-	5,852,233
Disposal proceeds	-	(2,063,100)
New money invested	100,000	-
Investment income retained in portfolio	104,077	-
Investment management fees charged in portfolio	(26,030)	-
Gains on revaluation	642,232	17,250
Fair value at 30th November 2024	<u>4,626,662</u>	<u>3,806,383</u>

All investments are listed on recognised financial markets.

Analysis of investments

Investment assets in the UK	1,135,800	1,638,315
Investment assets outside the UK	3,490,862	2,168,068
Fair value at 30th November 2024	<u>4,626,662</u>	<u>3,806,383</u>

9. Creditors: amounts falling due within one year

	2024 £	2023 £
Grants payable	155,980	15,000
Accruals	3,913	5,762
	<u>159,893</u>	<u>20,762</u>

Middle Way Trust

Notes to the Financial Statements (continued) for the year ended 30th November 2024

10. Fund reconciliation

Unrestricted funds – current year

	Balance at 1.12.23 £	Income £	Expenditure £	Inv gains £	Balance at 30.11.24
Unrestricted	4,092,529	104,077	(187,873)	642,232	4,650,965
	<u>4,092,529</u>	<u>104,077</u>	<u>(187,873)</u>	<u>642,232</u>	<u>4,650,965</u>

Unrestricted funds – prior year

	Balance at 1.12.22 £	Income £	Expenditure £	Inv gains £	Balance at 30.11.23
Unrestricted	3,176,334	998,307	(99,362)	17,250	4,092,529
	<u>3,176,334</u>	<u>998,307</u>	<u>(99,362)</u>	<u>17,250</u>	<u>4,092,529</u>

11. Analysis of net assets between funds

Current year

	Unrestricted funds 2024 £	Total 2024 £
Fixed asset investments	4,626,662	4,626,662
Cash and current investments	184,196	184,196
Other current assets/liabilities	(159,893)	(159,893)
Total	<u>4,650,965</u>	<u>4,650,965</u>

Prior year

	Unrestricted funds 2023 £	Total 2023 £
Fixed asset investments	3,806,383	3,806,383
Cash and current investments	306,908	306,908
Other current assets/liabilities	(20,762)	(20,762)
Total	<u>4,092,529</u>	<u>4,092,529</u>

12. Related party transactions

There are no related party transactions in the current or preceding period.