

THE FARINGDON COLLECTION TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2022

THE FARINGDON COLLECTION TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Lord C Faringdon Lady S Faringdon M Drury CBE F Russell The Hon. J H Henderson L Henderson R Wheeler	(Appointed 21 July 2021)
Secretary	Sharon Lander	
Charity number	203770	
Registered office	The Estate Office Buscot Park Faringdon Oxfordshire SN7 8BU	
Auditor	Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP	
Bankers	Lloyds TSB Bank plc 8 Market Place Faringdon SN7 7HN	
Solicitors	Tanners LLP Lancaster House Thomas Street Cirencester GL7 2AX	
Investment managers	Cazenove Capital 1 London Wall Place London EC2Y 5AU	

THE FARINGDON COLLECTION TRUST

CONTENTS

	Page
Chairman's statement	1
Trustees' report	2 - 4
Independent auditor's report	5 - 8
Statement of financial activities	9 - 10
Balance sheet	11
Notes to the financial statements	12 - 27

THE FARINGDON COLLECTION TRUST

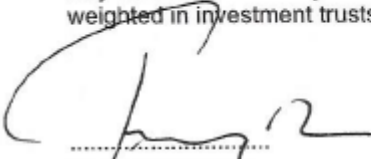
CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 5 APRIL 2022

Visitor numbers rose to 41,116 (2021: 34,498) which reflected our effective end of lockdown in July and the possibility of opening the house to the public and by extending the garden opening until the end of October again.

The endowment fund after a good recovery last year had a negative overall rate of return of -8.5% over the twelve months to 5 April 2022. Income projections suggest that the outcome for the present year to April 2023 will be similar to 2022 - £160,000 - £170,000.

Markets remain unpredictable and inflation looks rife, with political world order looking very unsettled. We remain : remain fully invested in a very wide cross section of international securities disguised by the fact that it is heavily reighted weighted in investment trusts.



.....
Lord C Faringdon
Chairman

Date: ...31.7.22...

THE FARINGDON COLLECTION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2022

The Trustees present their annual report and financial statements for the year ended 5 April 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's 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).

Objectives and activities

The objects of the Trust are to preserve, maintain and improve the quality and the setting of the Faringdon Collection wherever it is displayed to the public. At present it is housed at Buscot Park and Brompton Square, London, and made available to the public on no less than 104 days per annum, when legislation permits.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake for public benefit.

Achievements and performance

Due to Covid restrictions the Gardens only were open every day from 1st April to 21st July and when lockdown restrictions were lifted (21st July) the house and tearoom opened and reverted to a normal open season (house and gardens closed every other weekend). The house and tearoom closed the end of September with the Garden opening being extended to 31st October 2021. This resulted in visitor numbers for the season of 41,116.

The Trustees reviewed the performance of the investment portfolio and believed it to be satisfactory under the current climate.

Financial review

Total income for the year amounted to £252,826, an increase of £37,428 over the previous year. The house and tearoom reopened at the end of July 2021 following the Covid-19 pandemic.

Total expenditure amounted to £231,761, an increase of £17,567 over the previous year.

This created net income for the year of £21,065 compared to net income of £1,204 in 2021.

The market value of the Trust's investment portfolio was £6,492,621 at 5 April 2022. There was a net loss on revaluation of the portfolio of £716,145.

Investment policy and performance

The Trustees believe the best way of protecting the purchasing power of the endowment fund is to seek out international equities with prospects of a future rising stream of income in the belief they will give the fund a superior rate of total return over the long term.

In the year to 5 April 2022, the overall (total) rate of return on the Portfolio was -8.5% (2021: +36.8%).

The Trustees consider the capital value of the investment monies (at £6.5m) is appropriate and the performance of the funds remains satisfactory in the current market conditions.

THE FARINGDON COLLECTION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

Reserves policy

The purpose of the endowment funds is to generate sufficient annual income to better display the chattels and the functional property to the public, to maintain, administer and insure them, and if possible, to improve them. Under the Trust Deed the chattels may not be realised to defray the general running expenses of the Trust, but may be realised to improve the Collection.

The Trustees' policy is not to build up any income reserves but, over any three year period, to expend all income generated on the defined objectives of the endowment funds. Any capital appreciation is treated as inflation protection to the purchasing power of the permanent endowment to help maintain its "real" income, and hopefully, to allow it to keep pace with the international market price of chattels.

Endowment funds totalled £6,492,621 at 5 April 2022 (2021: £7,215,906), and unrestricted funds totalled £1,789,599 (2021: £1,761,394).

Risk management

The charity Trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks.

The Trustees have considered the following risks:

1. Security of the Collection
2. Insurance of the Collection
3. Public risks and Public Liability cover
4. Suitability of investment portfolio
5. Had professional survey and reports on:
 - a) Asbestos within the House
 - b) Electrical Testing
 - c) Water Tank and water supply report
 - d) Humidity and Environment Control
 - e) Tree Inspections

Plans for future periods

The Trust will continue to preserve and improve the Faringdon Collection and its setting for the public and acquire new items when appropriate opportunities arise.

Structure, governance and management

The Trust is an unincorporated Trust, constituted under a Deed of Gift, dated 9 November 1956, and Settlement, dated 24 March 1958.

The original property of the Trust was the Collection of chattels and a permanent endowment fund, which subsequently received further gifts of chattels, property and endowment funds.

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

Lord C Faringdon

Lady S Faringdon

M Drury CBE

Sir Richard Carew Pole OBE DL

(Resigned 27 June 2021)

F Russell

The Hon. J H Henderson

L Henderson

R Wheeler

(Appointed 21 July 2021)

The Trustees keep their skill requirements under review; and, in the event that a Trustee permanently retires or additional new Trustees are required, new Trustees will be sought and a final decision on selection will be taken by the existing Trustees.

THE FARINGDON COLLECTION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

The Trust is managed by a board of Trustees. The Trustees meet formally once a year at one of the sites at which the Collection is displayed, where they agree the broad strategy and areas of activity for the Trust, including consideration of investment, reserves and risk management policies and performance. The provisions of the governing deed specify the appointment of three Trustees – the Lord Faringdon of the day (Chairman); the tenant of Buscot Park or his representative (currently J H Henderson); and a representative of the National Trust (currently R Wheeler). Further Trustees may be co-opted, as required. There is no limit on the length of service of any Trustee.

Statement of Trustees' responsibilities

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

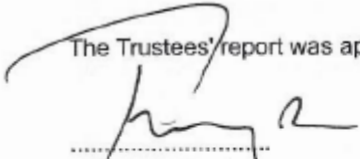
The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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' report was approved by the Board of Trustees.


.....
Lord C Faringdon
Chairman

Date: 31.7.22

THE FARINGDON COLLECTION TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE FARINGDON COLLECTION TRUST

Opinion

We have audited the financial statements of The Faringdon Collection Trust (the 'Charity') for the year ended 5 April 2022 which comprise the statement of financial activities, the balance sheet 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 Financial Reporting Standard 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 5 April 2022 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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 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 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 FARINGDON COLLECTION TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE FARINGDON COLLECTION 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 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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, 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 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 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with Trustees and other management, and from our commercial knowledge and experience of the client's business sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

THE FARINGDON COLLECTION TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE FARINGDON COLLECTION TRUST

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

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

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

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

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

THE FARINGDON COLLECTION TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE FARINGDON COLLECTION TRUST

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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.

Critchleys Audit LLP

Critchleys Audit LLP

24 August 2022
.....

**Chartered Accountants
Statutory Auditor**

Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

Critchleys Audit LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE FARINGDON COLLECTION TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2022

Current financial year

	Notes	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Total 2021 £
Income from:					
Donations and gifts	3	-	-	-	18
Charitable activities	4	79,423	-	79,423	54,422
Investments	5	173,403	-	173,403	160,958
Total income		252,826	-	252,826	215,398
Expenditure on:					
Raising funds	6	-	7,240	7,240	6,155
Charitable activities	7	220,779	-	220,779	208,039
Total expenditure		220,779	7,240	228,019	214,194
Net gains/(losses) on investments	11	-	(716,145)	(716,145)	1,820,558
Net incoming/(outgoing) resources before transfers		32,047	(723,385)	(691,338)	1,821,762
Gross transfers between funds		(100)	100	-	-
Net movement in funds		31,947	(723,285)	(691,338)	1,821,762
Fund balances at 6 April 2021		1,761,394	7,215,906	8,977,300	7,155,538
Fund balances at 5 April 2022		1,793,341	6,492,621	8,285,962	8,977,300

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

All income and expenditure derive from continuing activities.

THE FARINGDON COLLECTION TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

Prior financial year

		Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
	Notes			
<u>Income from:</u>				
Donations and gifts	3	18	-	18
Charitable activities	4	54,422	-	54,422
Investments	5	160,958	-	160,958
Total income		215,398	-	215,398
<u>Expenditure on:</u>				
Raising funds	6	-	6,155	6,155
Charitable activities	7	208,039	-	208,039
Total expenditure		208,039	6,155	214,194
Net gains/(losses) on investments	11	-	1,820,558	1,820,558
Net incoming/(outgoing) resources before transfers		7,359	1,814,403	1,821,762
Gross transfers between funds		150	(150)	-
Net movement in funds		7,509	1,814,253	1,821,762
Fund balances at 6 April 2020		1,753,885	5,401,653	7,155,538
Fund balances at 5 April 2021		1,761,394	7,215,906	8,977,300

THE FARINGDON COLLECTION TRUST

BALANCE SHEET

AS AT 5 APRIL 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12	39,088		12,661	
Heritage assets	13	1,588,420		1,588,420	
Investments	14	6,492,621		7,215,906	
			8,120,129		8,816,987
Current assets					
Stocks	15	29,360		30,747	
Debtors	16	99,100		79,971	
Cash at bank and in hand		61,963		59,813	
			190,423		170,531
Creditors: amounts falling due within one year	17	(24,590)		(10,218)	
Net current assets			165,833		160,313
Total assets less current liabilities			8,285,962		8,977,300
Capital funds					
<u>Endowment funds - general</u>					
General endowment funds		6,492,621		7,215,906	
		6,492,621		7,215,906	
Permanent endowment		-		-	
Expendable endowment		6,492,621		7,215,906	
	19		6,492,621		7,215,906
Income funds					
Unrestricted funds			1,793,341		1,761,394
			8,285,962		8,977,300

The financial statements were approved by the Trustees on 31.7.22

Lord C Faringdon
Chairman

THE FARINGDON COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies

Charity information

The Faringdon Collection Trust is an unincorporated charity registered in England and Wales.

Its registered office is: The Estate Office, Buscot Park, Faringdon, Oxfordshire SN7 8BU.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 Charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements 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 the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but 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, modified to include listed investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Income from the capital fund may be used for charitable expenditure. However, the part of the capital which is a permanent endowment (ie. chattels only) cannot be used to defray running costs.

1.4 Income

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Rental income received relating to the next financial year is carried forward in creditors.

Income from charitable activities

The income from charitable activities represents the sale of guidebooks and postcards, together with tearoom and Collection opening sales which form an integral part of the income from the opening of the Collection to the public.

THE FARINGDON COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to that category.

These relate to investment management fees and are recognised on an accruals basis.

Expenditure on charitable activities

Costs of charitable activities relate to the cost of preservation, maintenance, display and the setting, including any enlargement or improvement of the Collection chattels, as well as visitor costs which include 50% of the kiosk, room steward and house heating outlays, and total cost of (and return from) running a tearoom for the public.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include those related to statutory audit and any legal fees.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.6 Tangible fixed assets

These represent fixed assets used in the administration of the Trust.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Functional freehold property	10% - 33% per annum on cost
Fixtures and fittings	10% - 33% per annum on cost
Tearoom pavillion	Enter depreciation rate via StatDB - cd198
Tenant's improvements	Enter depreciation rate via StatDB - cd78
Theatre fixtures	25% per annum on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Functional freehold property

The functional property relates to 28 Brompton Square, London, SW3 2AD, where part of the Collection is exhibited (ground floor, first floor, second floor).

Within the property there are two apartments which are let out to third parties. The property is included at its original cost in 1952 of £10,000.

No depreciation is charged as the life of the property is so long and its residual value is so high, any depreciation would be insignificant.

1.7 Heritage assets

Heritage assets comprise all the chattels and works of art as itemised in the inventory belonging to the Faringdon Collection. This consists of approximately 1,500 items of which approximately 750 are pictures. In addition there are various other items on loan from the Faringdon family.

The original endowment of assets in 1956 is not valued in the accounts since its value is unknown, but subsequent additions have been capitalised at cost. The heritage assets are not depreciated, as any depreciation would be immaterial.

THE FARINGDON COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies

(Continued)

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stocks

Stocks are stated at the lower of cost and net realisable value, and represent the cost of guidebooks, postcards and tearoom supplies.

1.11 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.

1.12 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

THE FARINGDON COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Investment portfolio

The Trustees rely on the investment reports provided by Cazenove Capital for the investment revaluation in the accounts.

3 Donations and gifts

	Total	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	-	18

4 Charitable activities

	Collection opening sales	Tearoom sales	Guidebooks and postcards	Rent from non-functional property	Total 2022	Total 2021
	2022	2022	2022	2022		
	£	£	£	£	£	£
Sales within charitable activities	10,003	24,745	1,647	-	36,395	12,471
Charitable rental income	-	-	-	43,028	43,028	41,951
	10,003	24,745	1,647	43,028	79,423	54,422

THE FARINGDON COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

4 Charitable activities (Continued)

For the year ended 5 April 2021

	Collection opening sales	Tearoom sales	Guidebooks and postcards	Rent from non- functional property	Total 2021
	£	£	£	£	£
Sales within charitable activities	11,301	1,095	75	-	12,471
Charitable rental income	-	-	-	41,951	41,951
	<u>11,301</u>	<u>1,095</u>	<u>75</u>	<u>41,951</u>	<u>54,422</u>
Analysis by fund					
Unrestricted funds	<u>11,301</u>	<u>1,095</u>	<u>75</u>	<u>41,951</u>	<u>54,422</u>

5 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Income from listed investments	<u>173,403</u>	<u>160,958</u>

6 Raising funds

	Endowment funds general 2022 £	Endowment funds general 2021 £
Investment manager's costs	<u>7,240</u>	<u>6,155</u>
	<u>7,240</u>	<u>6,155</u>

THE FARINGDON COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2022

7 Charitable activities

	2022 £	2021 £
Collection opening costs	195,034	189,011
Tearoom costs	19,279	11,411
Guidebooks and postcards	1,222	2,625
	<u>215,535</u>	<u>203,047</u>
Share of governance costs (see note 8)	5,244	4,992
	<u>220,779</u>	<u>208,039</u>

Collection opening costs include the following:

	2022 £	2021 £
Insurance	48,578	49,394
Grounds maintenance	24,000	24,000
House maintenance	4,135	12,240
Alarms and security	4,299	2,278
Inventory costs	11,299	10,154
28 Brompton Square costs	27,385	28,406
Contents repairs	6,438	4,212
Management fees	12,000	12,000
Half total kiosk wages	4,110	4,805
Kiosk and toilet costs	625	1,011
Half total room stewards' wages	4,258	6,969
Half total heating costs	17,355	8,086
Half total publicity costs	2,526	2,308
Half total website costs	467	354
Custodian fees	12,038	12,038
Other collection opening costs	15,521	10,756
	<u>195,034</u>	<u>189,011</u>

THE FARINGDON COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2022

8 Governance costs

	Governance costs £	2022 £	Governance costs £	2021 £
Audit fees	5,244	5,244	4,992	4,992
	<u>5,244</u>	<u>5,244</u>	<u>4,992</u>	<u>4,992</u>
Analysed between Charitable activities	5,244	5,244	4,992	4,992
	<u>5,244</u>	<u>5,244</u>	<u>4,992</u>	<u>4,992</u>

Governance costs includes payments to the auditors of £5,244 (2021- £4,992) for audit fees.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

10 Employees

The Charity employed 2 part-time staff in the kiosk and 1 part time staff in the tearoom on a seasonal basis (2021: 3 in the kiosk), all earning less than £10,000. It also employed 7 part time staff as room stewards when the house reopened to the public in July 2021. In 2021 the Charity contributed to the cost of retaining the room stewards and other positions, the costs of which are included in the figures below.

There were no employees whose annual remuneration was more than £60,000.

11 Net gains/(losses) on investments

	Endowment funds general 2022 £	Endowment funds general 2021 £
(Loss)/gain on revaluation of investments	(716,145)	1,804,701
Gain on sale of investments	-	15,857
	<u>(716,145)</u>	<u>1,820,558</u>

THE FARINGDON COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

12 Tangible fixed assets

	Functional freehold property	Fixtures and fittings	Tearoom pavillion	Tenant's improvements	Theatre fixtures	Total
	£	£	£	£	£	£
Cost						
At 6 April 2021	10,000	182,916	13,575	29,532	22,619	258,642
Additions	-	30,323	-	-	-	30,323
At 5 April 2022	10,000	213,239	13,575	29,532	22,619	288,965
Depreciation and impairment						
At 6 April 2021	-	181,706	13,575	29,532	21,168	245,981
Depreciation charged in the year	-	3,896	-	-	-	3,896
At 5 April 2022	-	185,602	13,575	29,532	21,168	249,877
Carrying amount						
At 5 April 2022	10,000	27,637	-	-	1,451	39,088
At 5 April 2021	10,000	1,210	-	-	1,451	12,661

THE FARINGDON COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

13 Heritage assets

The nature of the Trust is to preserve, display and explain to the public the inherited collection it owns in surroundings of ongoing family homes, with recent additions to enliven it and to reflect the tastes and passions of succeeding generations. In this respect they have brought together museum quality pictures, furniture and objet d'art from the past with contemporary additions, to houses at Buscot Park and Brompton Square which are to be available to the public on 104 days a year. A catalogue of the assets held is available to visitors to the Trust.

The heritage assets represent the paintings, furniture and objects d'art which form the Faringdon Collection. British art, especially of the 19th and 20th centuries, is particularly well represented in the Collection. The cost of £1,588,420 relates to heritage assets purchased since 1994. The Trustees have not recognised the value of the assets forming the original Collection in the interests of security.

A summary of the movements in heritage assets in the previous four years is provided below:

Year ended 5 April 2022 and 5 April 2021

No additions

Year ended 5 April 2020

	£
Victorian silver two bottle inkstand from Estate of JLE Smith	950
Footstool for Normanton Bed	9,942
Ashot Yan – The Egg Seller	3,250
Graham Sutherland – Homage to Picasso	<u>12,730</u>
	<u>26,872</u>

Year ended 5 April 2019

	£
Three staff portraits by Amelia de Rougemont (Roberts)	7,500
Frames for the above portraits	<u>2,114</u>
	<u>9,614</u>

Year ended 5 April 2018

	£
First Intention VII – glass sculpture by Richard Jackson	3,150
Balancing payment for hand carved greyhounds	<u>11,280</u>
	<u>14,430</u>

THE FARINGDON COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2022

14 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 6 April 2021	7,027,281	188,625	7,215,906
Unrealised losses on revaluation	(716,145)	-	(716,145)
Disposals	-	(7,140)	(7,140)
At 5 April 2022	6,311,136	181,485	6,492,621
Carrying amount			
At 5 April 2022	6,311,136	181,485	6,492,621
At 5 April 2021	7,027,281	188,625	7,215,906

	2022 £	2021 £
Investments at fair value (market price) comprise:		
Listed equities	6,311,136	7,027,281

15 Stocks

	2022 £	2021 £
Guide books, postcards and greeting cards	28,193	28,644
Tearoom stock	1,167	2,103
	29,360	30,747

16 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	21,069	6,909
Other debtors	20,602	1,338
Prepayments and accrued income	57,429	71,724
	99,100	79,971

THE FARINGDON COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2022

17 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Deferred income	18	3,488	3,488
Trade creditors		12,540	90
Accruals and deferred income		8,562	6,640
		<u>24,590</u>	<u>10,218</u>

18 Deferred income

	2022 £	2021 £
Arising from rent received in advance	<u>3,488</u>	<u>3,488</u>

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	<u>3,488</u>	<u>3,488</u>
Movements in the year:		
Deferred income at 6 April 2021	3,488	3,488
Released from previous periods	(3,488)	(3,488)
Resources deferred in the year	<u>3,488</u>	<u>3,488</u>
Deferred income at 5 April 2022	<u>3,488</u>	<u>3,488</u>

THE FARINGDON COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

19 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.

	Movement in funds					Movement in funds					Balance at 5 April 2022
	Balance at 6 April 2020	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 6 April 2021	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	
	£	£	£	£	£	£	£	£	£	£	£
Expendable endowments											
Expendable endowment fund	5,401,653	-	(6,155)	(150)	1,820,558	7,215,906	-	(7,240)	100	(716,145)	6,492,621
	<u>5,401,653</u>	<u>-</u>	<u>(6,155)</u>	<u>(150)</u>	<u>1,820,558</u>	<u>7,215,906</u>	<u>-</u>	<u>(7,240)</u>	<u>100</u>	<u>(716,145)</u>	<u>6,492,621</u>

THE FARINGDON COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

20 Analysis of net assets between funds

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
Fund balances at 5 April 2022 are represented by:						
Tangible assets	39,088	-	39,088	12,661	-	12,661
Heritage assets	1,588,420	-	1,588,420	1,588,420	-	1,588,420
Investments	-	6,492,621	6,492,621	-	7,215,906	7,215,906
Current assets/(liabilities)	165,833	-	165,833	160,313	-	160,313
	<u>1,793,341</u>	<u>6,492,621</u>	<u>8,285,962</u>	<u>1,761,394</u>	<u>7,215,906</u>	<u>8,977,300</u>

THE FARINGDON COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2022

21 Related party transactions

The following related party transactions relate to the Trust property at 28 Brompton Square, London, SW3 2AD.

Summary of Lease

Date of lease	19 September 1962 (as varied by Deed of Variation dated 7 July 1992)
Present tenant	Safemove Property Management Limited (see note 20a)
Term of lease	70 years from 29 September 1962 (expiring 28 September 2032)
Ground rent	£225 per annum
Property	28 Brompton Square, London, SW3 2AD (see note 20b)

	2022 £	2021 £
Additional rent		
Gross rent collected by Safemove Property Management Limited	43,027	41,951
Rent from functional property (see note 20c)		9,500
Net rents receivable by Trustees from investment property (see note 20d)	<u>34,467</u>	<u>33,561</u>

Tenants' obligations

- To pay outgoings and to provide a Caretaker
- To maintain the interior of the Property
- Not to make alterations without the Landlord's Consent
- To use the Property only as to residential parts for residential purposes and the remainder for temporary lettings for functions

Landlord's obligations

- To maintain the exterior and fabric of the Property
- To insure the Property
- Not to assign or sub-let save in respect of subletting for the residential parts

Other provisions

- The Landlord has exclusive use of the Muniment Room (as defined in the lease)

THE FARINGDON COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

21 Related party transactions

(Continued)

20a Although management of Safemove Property Management Limited is undertaken by separate professional representatives, the Trustees consider that they effectively control the Company and consequently arrangements between Safemove Property Management Limited and the Trustees should be disclosed in the charity's accounts as related party transactions.

20b 28 Brompton Square, following alterations that have been made to it, comprises public rooms on the ground, first and second floors utilised for the display of parts of the Faringdon Collection ("the Functional Property"). To facilitate the arrangements created by the lease (as varied in 1992) a letter was issued by the Directors of Safemove Property Management Limited in January 1993.

In agreement with Safemove Property Management Limited, Lady Faringdon was appointed custodian of the Functional Property by the Trustees at their meeting on 17 January 1993. On their behalf, she is responsible for managing the property for public opening on two days a week (Tuesday and Thursday) including room steward duties. In addition, as custodian, she is responsible for directing the cleaning of the showrooms (and providing plants and flowers from Buscot), the maintenance of the large garden, arranging the caretaking, security cover and general maintenance of the Collection itself. These duties, sensibly, require from time to time the provision of accommodation to the Custodian Trustee to enable her to discharge her responsibilities properly.

20c As there are limited opportunities for the Functional Property to provide income, it was agreed by the Trustees that all entrance fees and any additional income received during the year from Lady Faringdon, who as Custodian, and in accordance with the terms of the Lease has used the Functional Property as accommodation to better fulfill her duties shall accrue to Safemove Property Management Limited. The Trustees were determined to remove any scintilla of doubt about any benefits received by any Trustee.

Accordingly the Trustees instructed the Directors of Safemove Property Management Limited to charge a commercial rate for any services or benefits received by Lady Faringdon. Accommodation (unserviced) in the functional Property provided to Lady Faringdon (who from time to time is accompanied by her husband) is currently charged at £175 per night. These charges were increased to this level with effect from 1 April 2020 following the annual review by the Directors of Safemove Property Management Limited. As a result of Covid and lockdown and to protect the income, Lady Faringdon has agreed to pay an annual fee of £10,000 as an accommodation charge whether or not she has need of it.

20d The third and fourth floors of the property comprise two self contained flats which are let under assured shorthold tenancies to unconnected third parties at commercial rents, though careful selection of tenants is necessary because access to the flats is only available through the Functional Property. After agents' fees, Safemove Property Management Limited retains 20% of the rents collected (2020: 10%) and the Trustees retain 80% (2020: 90%).

20e The Landlord is entitled to utilise all rooms within the Functional Property (excluding the caretaker's flat) for the display of the Faringdon Collection. The lease contains additional provisions for the control, regulation and display of the Collection items within the property from time to time.

20f The amount due from Safemove Property Management Limited at 5 April 2021 was £6,933 (2020: £14,040).

In addition, the Trust's investments in Lowland Investment Trust Company PLC and Henderson Opportunities Trust PLC (both closed-end investment Trusts) are managed by Janus Henderson Investors where Hon J H Henderson is an investment manager, and represent 27% of the total investment portfolio.

THE FARINGDON COLLECTION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

21 Related party transactions

(Continued)

Safemove Property Management Limited

The company is wholly owned by James Henderson, Trustee. During the year the Charity paid Safemove Property Management Limited £5,000 (2021: £5,000) for service charges at Brompton Square. At the year end £7,800 (2021: £6,933) was owed to the Charity by Safemove Property Management Limited.

F&H Estate Management Company Limited

James Henderson, Trustee, owns one third of the shares in this company. During the year the Charity paid F&H Estate Management Company Limited £26,337 (2021: £23,668) for management fees, inventory costs and other collection opening costs. At the year end £1,173 (2021: £1,173) was owed to the Charity by F&H Estate Management Company Limited, and the Charity owed the company £27 (2021: £Nil).

Lord Faringdon Farms & Gardens

James Henderson, Trustee, owns one third of this partnership. During the year the Charity paid Lord Faringdon Farms & Gardens £33,399 (2021: £27,273) for grounds maintenance costs, insurance and other collection opening costs. The Charity also received £12,664 (2021: £7,208) from the partnership in respect of ice cream sales and contributions to collection opening costs. At the year end £15,902 (2021: £3,238) was owed to the Charity by Lord Faringdon Farms & Gardens, and the Charity owed the partnership £76 (2021: £Nil).