

THE ROTHLEY TRUST

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2023

Charity Number 219849

**Armstrong Watson
Chartered Accountants
Newcastle upon Tyne**

THE ROTHLEY TRUST
REPORT AND AUDITED FINANCIAL STATEMENTS
31 MARCH 2023

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THE ROTHLEY TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

31 MARCH 2023

Trustees:	Mrs A Galbraith (Chairman) Mrs J Brown Mrs A Brunton Mr J Garbutt (appointed 15 May 2023) Mr D Holborn Mr M Litchfield (appointed 15 May 2023) Mrs D McCarthy Mr G Salvin
Registered charity number:	219849
Trust secretary:	Mrs G Allsopp
Correspondence address:	PO Box 224 Bedlington NE63 3FJ
Website:	www.rothleytrust.org.uk
Auditor:	Armstrong Watson Audit Limited One Strawberry Lane Newcastle upon Tyne NE1 4BX
Bankers:	Barclays Bank plc 49-51 Northumberland Street Newcastle upon Tyne NE1 7AF
Investment manager:	Rbc Brewin Dolphin Time Central 32 Gallowgate Newcastle upon Tyne NE1 4SR
Solicitors:	Sintons LLP The Cube Barrack Road Newcastle upon Tyne NE4 6DB

THE ROTHLEY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

The trustees have pleasure in presenting their report together with the audited financial statements of the charity for the year ended 31 March 2023.

Reference and administrative details set out on page 1 form part of this report. The financial statements have been prepared in accordance with the accounting policies set out on pages 10 to 11 and comply with the charity's trust deed, 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 Charities SORP (FRS 102) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

The Rothley Trust is registered with the Charity Commission and its governing instrument is the trust deed dated 26 November 1959.

The trustees who have served during the year and since the year end are set out on page one. The board of trustees is responsible for the appointment of trustees, their tenure of office and the election of the chairman. The charity is managed by the trustees who normally meet formally four times a year, in addition to regular informal contact on Trust matters throughout the year. The investment portfolio is reviewed with the investment managers prior to the main board meeting. The trust deed does not make any requirement for trustee numbers.

New trustee appointments are made by consensus of the board and the chairman oversees the induction of any new trustee which is then organised by the trust secretary. This involves a meeting with the chair and the trust secretary and covers the following essential items: awareness of a trustee's responsibilities, the governing document, administrative procedures, the history and philosophical approach of the charity. A new trustee would receive copies of the previous year's annual report and accounts and would be referred to the Charity Commission's useful publications on good practice. Very often the trustees have experience of serving on other trust boards and therefore their induction is adapted to meet their needs. The existing trustees bring to the board a good cross section of professional expertise, interests and local knowledge with a deliberate mix of age and location. During the last recruitment the trustees adopted the method of approaching a number of people and organisations for suggestions of suitable persons to fill the trustee vacancy. Interviews were carried out by the chair with the trust secretary in attendance. The appointment was then approved by all the trustees. This procedure has been implemented for future appointments.

Risk management

The trustees annually review the major strategic, business and operational risks which the charity faces. To date these have mainly related to investment management and the income likely to be derived given the anticipated grant giving level for the coming year and these have been ameliorated by diversified portfolio management. There are also areas of risk relating to employing staff which are covered by the adoption of proper procedures. The Trust is satisfied that their written procedures are satisfactory and the risks are contained at the right level. There is a Fraud Policy and Fraud Response Plan based on the model produced by the Association of Charitable Foundations.

The appointment of consultants is reviewed every three years. The full governance checklist is reviewed every three years.

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REPORT OF THE TRUSTEES
YEAR ENDED 31 MARCH 2023

Objectives and activities for the public benefit

Under the trust deed, the trustees have power to utilise the property of the charity for any charitable purposes as they shall from time to time determine.

The trustees currently have a policy of supporting charitable organisations and projects in the North East of England. This is reviewed from time to time. An information sheet has been produced to outline funding priorities and the information is also available on the website.

The trustees confirm they have been given the general guidance produced by the Charity Commission on public benefit, including the guidance 'public benefit': running a charity (PB2) and are confident that this is achieved through the grants made to charities. Where grants are awarded to voluntary groups which are not registered charities, the public benefit is scrutinised carefully.

Grant making policy

The trustees normally meet quarterly to consider what grants they will make and to review any feedback they have received. Grant applications are not normally solicited and trustees do not submit appeals, although they do declare an interest in any appeal and usefully provide local knowledge for the benefit of other trustees. The Trust is well known locally and is featured in local trust directories, websites and information delivered through Council for Voluntary Service Offices. The Rothley Trust has its own website which is maintained by the trust secretary. The trust secretary attends funding advice days to deliver information and regularly updates the grant information sheet sent out in response to general enquiries.

The Rothley Trust concentrates its grant making activities almost exclusively on smaller charities in the North East of England. Grants to national charities can only be made when there is clear evidence of grants being used for projects in the North East. The awards made at the trustees' quarterly meetings are to help with specific project costs, such as the purchase of equipment or repairs to premises. Charities in receipt of annual grants are asked to provide a written report every year with a more detailed report at the end of 3 years, enabling the trustees to review the allocation of grants and make revisions as appropriate. If the trustees require further information, the trust secretary will arrange a visit to the charity.

The Rothley Trust grant criteria now include properly constituted voluntary groups with charitable aims and Community Interest Companies. The trustees still consider it appropriate to make grants through registered charities, but this may need to be reviewed because the registration threshold was increased to charities with income over £5,000, although a grant handler can still be used.

Grants are made towards the costs of young people, under the age of 21, on approved overseas projects organised by registered charities, provided that the project concerned has a significant element of education or community service in it. (The trustees have now decided to restrict the venturer grants to students in their gap year between A-levels and higher education). The trustees also assist a small number of local students with grants towards medical electives. Medical students studying at Newcastle University can apply for a bursary towards the cost of carrying out an elective. The stipulation being that they should have been educated in the North East and their parents should still live in the region (The Borders down to Cleveland).

The trustees are aware of the ageing population and will now consider appeals from older age groups so long as they come within the existing grant criteria and grant categories.

THE ROTHLEY TRUST
REPORT OF THE TRUSTEES
YEAR ENDED 31 MARCH 2023

Grant making policy (*continued*)

The trustees have a policy, which is communicated to all beneficiaries, that they make one off grants with no guarantees of future funding. The trustees always seek feedback on the actual use of the grants given, the achievements made and benefits obtained. Photographs provide some useful evidence. The explanations and feedback received are sufficient for monitoring the quality of the grants made. The trustees now request that charities inform individual beneficiaries that The Rothley Trust has given assistance.

Achievements and performance of the Trust

During the year, the Trust awarded 192 grants totalling £209,570 (2022: 140 grants totalling £167,380). A summary is found in the notes to the financial statements. Beneficiaries of the energy saving grants continue to report reduction in their energy costs.

Due to the pandemic and government restrictions the trustees made the decision from May 2020 to hold the quarterly meetings via email. All decisions made were agreed by the trustees and email confirmation was sent to the trust secretary and these have been filed with the notes produced. Face to face meetings of the trustees resumed on 16 May 2022.

The administrative work by the Trust has been carried out from home since 1 October 2018 and this is working satisfactorily. The chair and trust secretary keep in touch on a regular basis throughout the year.

Meetings of the Trust are now held at cost effective venues, suiting the trustees and their professional advisers.

In 2012 the Rothley trustees passed a resolution which allows the Trust to carry out administrative work for other registered charities, Community Interest Companies and voluntary organisations with charitable objectives. The Trust has continued to carry out the end of year administration for The Bill and May Hodgson Charitable Trust. The Bill and May Hodgson Charitable Trust informed the Rothley Trust that they were handing over the administration of the Trust to the Community Foundation. The Rothley Trust completed the last Charity Commission Annual Return in September 2022. No new work has yet been received but this continues to be an avenue the trustees wish to pursue.

The decision to appoint Joseph Miller to carry out the majority of the accountancy work has been reviewed by the trustees and they are happy to continue with this arrangement. In January 2023 Joseph Miller merged with Armstrong Watson and the trustees were happy to accept this merger.

Grants are now made by bank transfer. The facility to pay by cheque is still available if this is requested. Procedures have been put in place to ensure dual authorisation of payments is carried out.

Feedback forms are sent to all grantees with a deadline date for return. These are reviewed regularly by trustees and they give a good indication of how the Trust's grant making policy is working.

Due to the COVID-19 pandemic the trustees agreed at the end of March 2020 to relax the grant criteria in the short term to help with the running costs for charities that are struggling during the uncertain times they are facing. This will be continually reviewed. The trustees took the decision in August 2022 to revert back to the normal grant criteria.

THE ROTHLEY TRUST
REPORT OF THE TRUSTEES
YEAR ENDED 31 MARCH 2023

Financial review

The income from investments for the year was £252,666 (2022: £196,637). The net increase in funds for the year for the unrestricted income fund was £8,429 (2022: net increase £111).

Investment policy and performance

The trust deed permits the charity's monies to be invested in any investments in any location as the trustees shall in their absolute discretion think fit.

The investment strategy, including the asset mix, the target income level and the acceptable level of risk is agreed with the investment manager, who reports quarterly to the trustees on the portfolio. From November 2004 onwards, the portfolio has been managed on a discretionary basis.

In August 2014, and acting on the advice of our investment advisers, the trustees agreed to move UK equity investments to collective funds. Around the beginning of the pandemic, a rebalancing to increase the overseas holding with a commensurate reduction in the proportion of UK investments proved to be a sound decision.

The investment objectives of the trustees are to maintain, and over the longer term to seek to increase, the real value of capital invested by inflation plus 3% and the income derived from it. The trustees' policy is to seek to achieve these objectives through investing in a suitable mixture of real and monetary assets. The investment policy is formally reviewed annually and investment changes are monitored and reported at every quarterly meeting.

During the year, the total return of the portfolio was a decrease of 4.6% (2022: increase of 7.4%) against a benchmark of -1.4% (2022: 9.6%). The trustees also monitor the performance of the investment managers and that of the portfolio at the quarterly meetings.

The trustees are mindful of the impact of the investment performance due to the war in Ukraine and rising fuel costs and remain in regular contact with the investment advisers.

As the trustees are given power under the trust deed to distribute capital as well as income, investment performance is measured by total return on a rolling three-year basis. The trustees also agree annually with the investment managers an income requirement from the Trust's investment portfolio, upon which the trustees will base their budget for that year. Representatives from our investment advisers are required to attend each quarterly meeting with a full opportunity for the trustees to question them, then subsequently for the trustees to discuss amongst themselves any change of emphasis or direction which may be needed.

In March 2020, as the world became aware of the Coronavirus, stock markets reacted to the implications of the virus with values falling by some 35% in just a month. Many companies also reduced or cancelled dividends, adversely affecting the income of so many charities and other organisations including our own. Immediate and regular liaison with our Investment Managers reviewed both our capital and income positions, including forward estimates of the impact on our income. The quality of our investments was judged to be very good, and still appropriate for the long-term nature of the Trust. We did, however, need to react to a reduced income from those investments, and our grant giving capacity was addressed by the trustees and reduced in accordance with the Trust's revised level of income for the year ended 31 March 2023. In August 2022 the trustees agreed to increase the level of income back to the figure before the pandemic. This will be kept under review in line with economic circumstances and Rothley Trust grant making requirements.

The trustees feel that they meet all the requirements of the Charity Commission guidance.

THE ROTHLEY TRUST
REPORT OF THE TRUSTEES
YEAR ENDED 31 MARCH 2023

Reserves policy

It is the policy of the charity to maintain unrestricted income funds not invested in fixed assets (the free reserves). The target level of reserves has been set at £100,000 to cover governance costs and to provide sufficient working capital. The trustees review both the policy and the reserves position annually. At the end of the financial year the reserves amounted to £141,465 (2022: £132,822).

Plans for future periods

The trustees intend to continue providing grants in a similar way with small grants for capital costs made to a wide range of organisations in the North East. They will continue to award larger grants for key appeals which come to their attention in order to provide greater impact.

The trustees remain conscious of administration costs and will continue to seek more efficient and cost-effective ways of working as well as continuing to explore the possibility of working with other small local charitable trusts for mutual financial benefit.

Statement of trustees' responsibilities

The trustees are responsible for preparing the report of the trustees 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 & 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, 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.

In so far as the board of trustees is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the board of trustees has taken all the steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

Signed on behalf of the trustees

Mrs A Galbraith
Chairman
6 November 2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF

THE ROTHLEY TRUST

YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of The Rothley Trust, for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the report of the trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE ROTHLEY TRUST
YEAR ENDED 31 MARCH 2023**

Other information *(continued)*

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 8 and 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with 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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE ROTHLEY TRUST
YEAR ENDED 31 MARCH 2023**

Auditor's responsibilities for the audit of the financial statements *(continued)*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Trust, discussions with the trustees and those charged with governance, we considered that the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Charities SORP (FRS 102), the Charities Act 2011, the Charities (Account and Reports) Regulations 2008 and UK tax legislation.

As part of the engagement team discussion about the susceptibility of the Trust's financial statements to material misstatement due to fraud, we did not identify any areas with an increased risk.

Our audit procedures were designed to respond to identified risks, including non-compliance with laws and regulations and fraud, which may have a material effect on the financial statements. Our audit procedures included but were not limited to:

- enquiry of the trustees and review of any relevant correspondence with legal advisers regarding any instances of non-compliance with laws and regulations and any actual, suspected or alleged fraud;
- communicating identified laws and regulations and the risks of fraud with our engagement team and remaining alert to any indications of non-compliance or fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the minutes of the board of trustees;
- review of accounting estimates for management override and bias;
- analytical procedures to identify any unusual transactions;
- identifying and testing journal entries.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance.

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

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE ROTHLEY TRUST
YEAR ENDED 31 MARCH 2023**

Use of the audit 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 independent 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Armstrong Watson Audit Limited
One Strawberry Lane
Newcastle upon Tyne
NE1 4BX

13 November 2023

Armstrong Watson Audit Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor under Section 1212 of the Companies Act 2006.

THE ROTHLEY TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted fund £	Endowment fund £	Total 2023 £	Total 2022 £
Income from:					
Charitable activities	2	1,550	-	1,550	1,250
Investments	3	252,666	-	252,666	196,637
Total income		<u>254,216</u>	<u>-</u>	<u>254,216</u>	<u>197,887</u>
Expenditure on:					
Raising funds:					
Investment management costs		-	35,828	35,828	42,108
Charitable activities	5	245,787	-	245,787	197,776
Total expenditure		<u>245,787</u>	<u>35,828</u>	<u>281,615</u>	<u>239,884</u>
Net (losses) gains on investments					
(Losses) gains on revaluation of investments	8	-	(600,602)	(600,602)	465,112
Realised (losses) gains on disposals of investment assets		-	(88,066)	(88,066)	8,819
Net (expenditure) income		<u>8,429</u>	<u>(724,496)</u>	<u>(716,067)</u>	<u>431,934</u>
Transfers between funds		-	-	-	-
Net movement in funds		<u>8,429</u>	<u>(724,496)</u>	<u>(716,067)</u>	<u>431,934</u>
Reconciliation of funds					
Total funds brought forward		133,739	9,344,260	9,477,999	9,046,065
Total funds carried forward		<u>142,168</u>	<u>8,619,764</u>	<u>8,761,932</u>	<u>9,477,999</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 13 to 19 form part of these financial statements.

THE ROTHLEY TRUST

BALANCE SHEET

AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	7	703	917
Investments	8	8,637,101	9,377,473
		<u>8,637,804</u>	<u>9,378,390</u>
Current assets			
Debtors	9	47,914	10,243
Cash at bank and in hand		94,528	106,239
		<u>142,442</u>	<u>116,482</u>
Liabilities			
Creditors: amounts falling due within one year	10	(18,314)	(16,873)
Net current assets		<u>124,128</u>	<u>99,609</u>
Total assets less current liabilities		<u>8,761,932</u>	<u>9,477,999</u>
The funds of the charity:			
Endowment fund	11	8,619,764	9,344,260
Unrestricted income fund	11	142,168	133,739
Total charity funds		<u>8,761,932</u>	<u>9,477,999</u>

The financial statements were approved by the trustees on 6 November 2023 and were signed on their behalf by:

Mrs A Galbraith
Chairman

The notes on pages 13 to 19 form part of these financial statements.

THE ROTHLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless stated otherwise. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

b) Preparation of financial statements on a going concern basis

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

c) Presentation currency

The financial statements are prepared in sterling, which is the functional currency of the Trust.

d) Fund structure

i) Income fund

The income fund is credited with the investment income arising from the Trust's investments and is charged with charitable distributions made by the Trust, costs of raising funds and support and governance costs. Any surplus on the income fund is carried forward and is available for future distribution.

ii) Capital fund

The endowment fund represents the balance of the original expendable endowed funds of the charity, together with a legacy from the Mungo Campbell Deceased Will Trust received on 25 May 2008 together with the accumulated surpluses arising from the active management of the investments. The trust deed allows this fund to be spent as income or retained as capital at the trustees' discretion. The income arising from the expendable endowment is unrestricted.

e) Fixed assets and depreciation

Tangible fixed assets are included in the accounts at their historical cost.

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost less estimated residual value of the assets over their expected useful lives. The rates used are as follows:-

Office furniture	- 15% per annum on a reducing balance basis
Office equipment	- 25% per annum on a reducing balance basis

f) Investments

Investments are a form of financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the bid price. Gains or losses arising on revaluation or disposal are recognised in the statement of financial activities in the funds in which the investments are held.

THE ROTHLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

1 Accounting policies (*continued*)

g) Cash at bank

Cash at bank includes a current account, a business premium account and a short term deposit account.

h) Creditors and provisions

Creditors and provisions are recognised where the Trust 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 obligations can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

i) Financial instruments

With the exception of investments described above, the Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.

j) Income recognition

All income is included in the statement of financial activities once the charity has entitlement, there is sufficient certainty of receipt and so it is probable that the income will be received and the amount of income receivable can be measured reliably.

Investment income such as dividends and interest are included when receivable.

Legacy income is recognised when it is probable that it will be received which is when there has been grant of probate; the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and any conditions attached to the legacy are either within the control of the charity or have been met.

k) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is possible that settlement will be required and the amount of obligation can be measured reliably. Expenditure is accounted for on an accruals basis, inclusive of any VAT that cannot be recovered.

Costs of raising funds comprise those costs relating to managing and maintaining the investments.

Investment management costs are charged against investment capital. Any costs associated with the sale or purchase of investments are accounted for as part of the sale or purchase price of the investments.

Grants payable are recorded once the charity has made an unconditional commitment to pay the grant which is communicated to the beneficiary or the grant has been paid, whichever is the earlier.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Support costs are allocated on the basis of staff time spent on charitable activities and governance of the Trust.

THE ROTHLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

2 Income from charitable activities

	2023	2022
	£	£
Administration fee	1,250	1,250
Other income	300	-
	<hr/> 1,550	<hr/> 1,250

3 Investment income

	2023	2022
	£	£
Dividends and interest from listed investments	251,609	196,610
Interest receivable on cash deposits	1,057	27
	<hr/> 252,666	<hr/> 196,637

4 Grants

	2023	2022
	£	£
During the year the charity made the following grants:		
Institutional grants of £2,000 or more:		
Army Cadet Force Association	2,000	2,000
Citizens Advice County Durham	5,000	5,000
Citizens Advice Newcastle	3,000	3,000
Citizens Advice Northumberland	5,000	5,000
Cleveland Housing and Advice Centre	2,000	2,000
Combat Stress	4,000	4,000
Community Action Northumberland	2,000	2,000
Consett Churches Detached Youth Project	3,500	3,500
Cramlington Rockets FC	3,000	-
Durham Association of Boys & Girls Clubs	6,000	6,000
Greggs Hardship Fund	3,000	3,000
Newburn & District Sea Cadets Corps	-	2,000
Percy Hedley Foundation	3,000	3,000
Institutional grants of less than £2,000	153,870	117,180
Total institutional grants	<hr/> 195,370	<hr/> 157,680
Grants awarded to individuals	14,200	9,700
Total	<hr/> 209,570	<hr/> 167,380

THE ROTHLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

4 Grants (continued)

		2023	2022
	Number	£	£
Grants made during the year were for the following charitable purposes:			
Children and Young People	42	46,050	39,110
Community	63	74,300	58,400
Disability	26	26,200	26,020
Education	14	14,200	9,700
Elderly	6	4,920	750
Energy	8	8,400	900
Ex-service	4	7,300	9,100
Medical	24	23,200	20,400
World in Need	5	5,000	3,000
	<hr/> 192	<hr/> 209,570	<hr/> 167,380

5 Expenditure on:

	2023	2022
	£	£
i) Charitable activities:		
Grants (note 4)	209,570	167,380
Support costs:		
Salaries	17,179	16,663
Office costs	2,901	2,441
Accountancy	5,670	5,700
	<hr/> 235,320	<hr/> 192,184
ii) Governance costs		
Support costs:		
Salaries	3,032	2,941
Office and meeting costs	512	431
Auditor's fees	6,924	-
Independent examiner's fees	-	2,220
	<hr/> 10,467	<hr/> 5,592
Total expenditure on charitable activities	<hr/> 245,787	<hr/> 197,776

Fees payable to the auditor were audit fees of £6,924, accountancy fees of £5,670 and payroll fees of £379.

6 Staff costs

	2023	2022
	£	£
Wages and salaries	19,821	19,215
Pension costs	389	389
	<hr/> 20,210	<hr/> 19,604

THE ROTHLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

6 Staff costs (continued)

The trustees consider the board of trustees and the trust secretary as comprising the key management personnel of the charity in charge of directing and controlling the charity and running the charity on a day to day basis. The total employment benefits of the key management personnel were £20,210 (2022: £19,604).

Further details of any trustee related party transactions are disclosed in note 12 to the financial statements.

No employees have received remuneration above £60,000.

	2023	2022
The average number of employees involved in support and governance during the year was:	1	1

7 Tangible fixed assets

	Furniture and equipment £
Cost	
At 1 April 2022 and at 31 March 2023	3,190
Depreciation	
At 1 April 2022	2,273
Charge for year	214
At 31 March 2023	2,487
Net book value	
At 31 March 2023	703
At 31 March 2022	917

8 Fixed asset investments

	2023 £	2022 £
Market value at 1 April 2022	9,148,898	8,709,739
Additions at cost	577,011	273,464
Disposals at carrying value	(882,721)	(299,417)
(Losses) gains on revaluation	(600,602)	465,112
	8,242,586	9,148,898
Cash at bank awaiting investment	394,515	228,575
Market value at 31 March 2023	8,637,101	9,377,473
Historical cost at 31 March 2023	7,740,853	7,536,328

All investments are carried at their fair value. Investments in collective funds are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value, using the bid price.

THE ROTHLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

9 Debtors

	2023	2022
	£	£
Dividends and interest receivable	47,543	9,894
Prepayments and accrued income	371	349
	<u>47,914</u>	<u>10,243</u>

10 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other creditors	92	76
Grants payable	1,500	2,400
Accruals	16,722	14,397
	<u>18,314</u>	<u>16,873</u>

11 Analysis of net assets between funds

	Tangible fixed assets £	Fixed asset investments £	Net current assets/ (liabilities) £	Total 2023 £
Endowment fund	-	8,637,101	(17,337)	8,619,764
Unrestricted income fund	703	-	141,465	142,168
	<u>703</u>	<u>8,637,101</u>	<u>124,128</u>	<u>8,761,932</u>

Analysis of net assets between funds – previous year

	Tangible fixed assets £	Fixed asset investments £	Net current assets/ (liabilities) £	Total 2022 £
Endowment fund	-	9,377,473	(33,213)	9,344,260
Unrestricted income fund	917	-	132,822	133,739
	<u>917</u>	<u>9,377,473</u>	<u>99,609</u>	<u>9,477,999</u>

THE ROTHLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

12 Related party transactions

During the year, no trustees, or any persons related or connected by business to them, have received any remuneration from the charity.

No expenses were reimbursed to the trustees during the current or previous year.