

THE HOLEHIRD TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE HOLEHIRD TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustee Westmorland and Furness Council

Committee Members Mr W Clark (Chair)
Mr A Connell
Mr P Dew
Mrs J Battye
Mr P Dixon
Mr G Simpkins

Charity number 235345

Principal address Westmorland and Furness Council
South Lakeland House
Lowther Street
Kendal
Cumbria
LA9 4DQ

Auditor Saint & Co.
Sterling House
Wavell Drive
Rosehill
Carlisle
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Property manager Savills
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THE HOLEHIRD TRUST

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THE HOLEHIRD TRUST

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The trustee presents its annual report and financial statements for the year ended 31 March 2023.

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 trust'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 trust's aims are to

1. Provide housing for beneficiaries who are in conditions of need or hardship, or who are in need of housing by virtue of age, sickness or infirmity.
2. To advance the education of beneficiaries.
3. To relieve children or young people in need.
4. To provide funding to other persons or bodies who could provide the appropriate goods, services and facilities to assist in the above.

Public benefit

The trustee has paid due regard to guidance issued by the Charity Commission in deciding what activities the trust should undertake.

Grant making policy

The day to day vetting of grant applications for presentation at each meeting is undertaken by another charity, the Cumbria Community Foundation, which carries out this function on an agency basis, based on guidance issued by the trust. Priority will be given to projects which support one of the following: elderly people, disabled people or children and young people up to the age of 18. Grants will normally be less than £2,000 over one year. A full list of the parishes and communities who are eligible to apply can be found on their website. A schedule of grant applications is then presented for consideration to the trust.

Achievements and performance

Significant activities and achievements against objectives

The year again proved successful with 28 grant applications being approved. The total funds expended on grants was £45,455 which was lower than the previous year's £51,766 due mainly to the previous year including applications which had been delayed due to the COVID pandemic.

The standard of applications was again good which resulted in less applications being rejected prior to submission to the meeting.

Financial review

The trust relies primarily on the letting of cottages and farms on the estate to generate its income which amounted to £197,273 which was higher than that of the previous year's £195,806 mainly due to some more properties being occupied after undergoing refurbishment during the previous year. In the previous year, the trust made a demand for dilapidations and an additional £700,000 of income was recognised in respect of this.

In addition to the awarding of grants the other main area of expenditure is the repairs and maintenance of the estate. The amount spent was £194,750 which was higher than the previous year's total of £142,552.

The valuation of the trust's investments in the Charities Official Investment Fund (COIF) saw a decrease from £886,106 to £724,980. This was due to some investments being sold to finance refurbishment costs to some of the estate properties. The original purchase price of this holding is disclosed in the Fixed asset investments note.

The total funds of the charity at the year end are £9,822,407 (2022: £10,000,753). This is unrestricted free reserves.

Due to the prevailing financial climate this remains an area which will be closely monitored.

THE HOLEHIRD TRUST

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Reserves policy

The elected members consider that the amount made available for grants is a prudent amount whilst still allowing the Trust to meet its charitable aims. In view of this the elected members are satisfied that the activities of the Trust will remain in the region of £9.0m which should be achievable based on previous years. Reserves at 31 March 2023 were £9.8m which is in line with the desired level.

Property valuations

A revaluation of the estate and its properties was carried out by Savills in November 2015 and is now valued at £8.57m.

Plans for future periods

The Holehird Trust is a lasting testimony to the donor, Mr. Leigh Groves. By continuing to make funds available in the relief of hardship and for the enhancement of education a commitment is made to ensure that the inhabitants within the Trust's geographical boundaries will continue to be provided for.

Those elected members responsible for carrying out the Council's duties as trustee are mindful of the potential difficulties associated with an ageing local population and are also eager to see the area's young people make appropriate use of educational assistance available through the trust.

The trustee made available £150,000 to be awarded on grants to cover the period 01 April 2020 to 31 March 2023. This amount was determined by taking into account the need to make funds available for grants without jeopardising the trust's financial position such as an excessive depletion of reserves.

Structure, governance and management

The trust is an unincorporated trust, constituted under a trust deed dated 27 July 1949 and is a registered charity, number 235345. The trust was established by the transfer from Mr. Leigh Groves of his Holehird Estate at Windermere to the then Westmorland County Council. On his death a further £10,000 was to be donated to the Council for the purpose of developing the estate. The trust's primary source of income is the letting of cottages and farms on the estate.

The trustee to 31.03.23 was Cumbria County Council but due to the restructure of Local Government in the geographical County of Cumbria the trustee will be Westmorland & Furness Council from 01.04.23. Six of its elected members will be appointed to carry out its duties as trustee. Each member is appointed for three years by one of the Council's sub committees and is eligible for re-appointment after the expiry of this period.

At each of its quarterly meetings a schedule of grant applications is presented for consideration. At the same meetings consideration is also given to investment, reserves and risk policies.

The day to day vetting of grant applications for presentation at each meeting is undertaken by another charity, the Cumbria Community Foundation, which carries out this function on an agency basis.

The on-going maintenance of the trusts accounting records was delegated to the Council's Corporate Director of Finance.

The members of the trustee who served during the year and up to the date of signature of the financial statements were:
Westmorland and Furness Council

Recruitment and appointment of trustees

Organisational structure

The six members are appointed by the Council's cabinet to serve for a period of 3 years.

THE HOLEHIRD TRUST

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Statement of trustee's responsibilities

The trustee is responsible for preparing the Trustee's 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 trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources of the trust for that year.

In preparing these financial statements, the trustee is 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 trustee is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the trust and enable it 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. It is also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee's report was approved by the Trustee.

Westmorland and Furness Council
Trustee

16 May 2024

THE HOLEHIRD TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEE OF THE HOLEHIRD TRUST

Opinion

We have audited the financial statements of The Holehird Trust (the 'trust') for the year ended 31 March 2023 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 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 trust 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 trustee's 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 trustee 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 trustee is 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 HOLEHIRD TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEE OF THE HOLEHIRD 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 trustee's 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 trustee

As explained more fully in the statement of trustee's responsibilities, the trustee is 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 trustee determines 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 trustee is responsible for assessing the trust'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 trustee 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 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.

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.

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 company through discussions with directors and other management;
- 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 company;
- 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 HOLEHIRD TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEE OF THE HOLEHIRD TRUST

We assessed the susceptibility of the company'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;
- 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 the accounting estimates set out in the accounting policies 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, the Charity Commission 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 directors 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.

Other matters

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.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

THE HOLEHIRD TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEE OF THE HOLEHIRD TRUST

Saint & Co.

21 May 2024

**Chartered Accountants &
Statutory Auditor**

Sterling House
Wavell Drive
Rosehill
Carlisle
CA1 2SA

Saint & Co. is eligible for appointment as auditor of the trust by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE HOLEHIRD TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds general	Unrestricted funds revaluation reserve	Total	Unrestricted funds general	Unrestricted funds revaluation reserve	Total
	Notes	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Income and endowments from:							
Investments	3	197,273	-	197,273	195,806	-	195,806
Other income	4	26,770	-	26,770	706,061	-	706,061
Total income		224,043	-	224,043	901,867	-	901,867
Expenditure on:							
Raising funds	5	198,231	-	198,231	142,552	-	142,552
Charitable activities	6	193,032	-	193,032	239,970	-	239,970
Total expenditure		391,263	-	391,263	382,522	-	382,522
Net gains/(losses) on investments	12	(11,126)	-	(11,126)	92,313	-	92,313
Net income/(expenditure) and movement in funds		(178,346)	-	(178,346)	611,658	-	611,658
Reconciliation of funds:							
Fund balances at 1 April 2022		2,274,705	7,726,048	10,000,753	1,663,047	7,726,048	9,389,095
Fund balances at 31 March 2023		2,096,359	7,726,048	9,822,407	2,274,705	7,726,048	10,000,753

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

THE HOLEHIRD TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

		2023		2022 as restated	
	Notes	£	£	£	£
Fixed assets					
Investment property	14		8,574,890		8,574,890
Investments	15		724,980		886,106
			<u>9,299,870</u>		<u>9,460,996</u>
Current assets					
Debtors	16	550,693		790,025	
Creditors: amounts falling due within one year	17	<u>(28,156)</u>		<u>(250,268)</u>	
Net current assets			<u>522,537</u>		<u>539,757</u>
Total assets less current liabilities			<u><u>9,822,407</u></u>		<u><u>10,000,753</u></u>
The funds of the trust					
Unrestricted funds - general			2,096,359		2,274,705
Unrestricted funds - revaluation reserve	19		7,726,048		7,726,048
			<u><u>9,822,407</u></u>		<u><u>10,000,753</u></u>

The financial statements were approved by the trustee on 16 May 2024

Westmorland and Furness Council
Trustee

THE HOLEHIRD TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	23		(347,273)		(191,677)
Investing activities					
Purchase of investment property		-		(4,129)	
Proceeds from disposal of other investments		150,000		-	
Investment income received		197,273		195,806	
Net cash generated from investing activities			347,273		191,677
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			-		-
Cash and cash equivalents at beginning of year			-		-
Cash and cash equivalents at end of year			-		-

The notes on pages 11 to 22 form part of these financial statements.

THE HOLEHIRD TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

The Holehird Trust is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Cumberland Council, Parkhouse Building, Carlisle, Cumbria, CA6 4SJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust'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 trust is a Public Benefit Entity as defined by FRS 102.

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 trust. 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 the revaluation of freehold properties and to include investment properties and certain financial instruments 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 trustee has a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustee continues 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 trustee in furtherance of their charitable objectives. Unrestricted funds include a revaluation reserve representing the restatement of investment assets at market values, and a capital reserve representing funds the charity has set aside for improvements and refurbishments to properties.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

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

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

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE HOLEHIRD TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

The following specific policies are applied to particular categories of income:

- rental income from investment properties is recognised when receipt is probable and entitlement is established
- investment income is recognised when receipt is probable and entitlement is established.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Grants awarded to applicants are provided fully within expenditure at the time the award is approved. Support costs comprise costs for processing grants and applications and costs incurred in support of charitable activities. Resources expended for the management and administration of the charity represent the cost of managing the charity.

1.6 Investment property

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

1.7 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.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The trust 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 trust's balance sheet when the trust 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.

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

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.

THE HOLEHIRD TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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 trust's contractual obligations expire or are discharged or cancelled.

1.10 Restatement of comparatives

The monies held by Cumberland Council on behalf of The Holehird Trust were previously shown in cash at bank. These have been restated in the accounts to include the year end balance as a debtor due from the council. The comparative figures have been restated. There has been no impact on the net income or the Trust's funds. The amount due from Cumberland Council at 31 March 2023 was £183,555 (31 March 2022 owed to the council was £189,381).

2 Critical accounting estimates and judgements

In the application of the trust's accounting policies, the trustee is 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.

Investment property valuation

The trustee has estimated the value of the investment property based on their knowledge of the market and on previous valuations. The value included in the financial statements is £8,574,890.

3 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Rental income	197,273	195,806

THE HOLEHIRD TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Miscellaneous income	26,770	6,061
Other exceptional income	-	700,000
	<u>26,770</u>	<u>706,061</u>

5 Expenditure on raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Trading costs		
Other trading activities - bad debt provision	3,481	-
Investment management	194,750	142,552
Total costs	<u>198,231</u>	<u>142,552</u>

6 Expenditure on charitable activities

	Grant funding 2023 £	Grant funding 2022 £
Direct costs		
Grant funding of activities (see note 7)	45,455	51,766
Share of support and governance costs (see note 8)		
Governance	147,577	188,204
	<u>193,032</u>	<u>239,970</u>
Analysis by fund		
Unrestricted funds - general	<u>193,032</u>	<u>239,970</u>

THE HOLEHIRD TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Grants payable

	Grant funding 2023 £	Grant funding 2022 £
Grants to institutions (28 grants):		
Institutions	45,455	51,766

The charity awarded grants to the following beneficiaries in the year:

	2023 £
Youth Presence	2,000
1st Stavely Brownies	800
Windermere Rowing Club	1,000
North Lancashire & South Cumbria Motor Neurone Disease Association	911
Allithwaite & Cartmel Parish Council	2,000
Stainton Institute	1,180
Lake District Foundation	2,000
Kendal Parkinsons	500
PBC Foundation	608
Heron Corn Mill	2,000
Kendal Windows on Art	2,000
Western Dales Community Bus Service	1,500
Crosby Ravensworth Parish Council	2,000
Studio Moreland Saturday Art Club	2,000
Windermere Youth Project	2,000
Newbiggin Village Hall	2,000
Crossthwaite & Lyth Recreational Field Trust	2,000
Queen Katherine School Association	2,000
Warcop Methodist Church	1,000
Together We Talk Newton Rigg	2,000
Levens Playing Fields	2,000
Orton Market Hall	2,000
Penrith Football Club	2,000
Carlisle Cathedral	1,000
Sight Advice	2,000
Blackwell Sailing	2,000
Cumbria Development Education Centre	1,956
Ambleside Parish Centre	1,000
	45,455

THE HOLEHIRD TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Support costs allocated to activities

	2023 £	2022 £
Governance costs	147,577	188,204
Analysed between:		
Grant funding	147,577	188,204
Governance costs comprise:		
	2023 £	2022 £
Audit fees	2,067	1,966
Accountancy	1,243	1,289
Agency fees	34,013	33,088
Professional fees	110,187	151,178
Interest payable	67	683
	147,577	188,204

9 Net movement in funds

	2023 £	2022 £
The net movement in funds is stated after charging/(crediting):		
Fees payable to the charity's auditor:		
- for the audit of the charity's financial statements	2,067	1,966
- for other financial services	1,243	1,289

10 Trustee

No trustee (or any persons connected with them) received any remuneration or benefits from the trust during the year.

11 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	-	-

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

THE HOLEHIRD TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Gains and losses on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gains/(losses) arising on:		
Unrealised gain/(loss) on investments	(6,514)	92,313
Sale of investments	(4,612)	-
	<u>(11,126)</u>	<u>92,313</u>

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

14 Investment property

	2023 £
Fair value	
At 1 April 2022 and 31 March 2023	<u>8,574,890</u>

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2023 £	2022 £
Cost	844,713	844,713
Accumulated depreciation	-	-
	<u>844,713</u>	<u>844,713</u>
Carrying amount	<u>844,713</u>	<u>844,713</u>

The investment property is held on the revaluation basis, valued at the market value as at the revaluation date. The property was last revalued in November 2015 at £8,196,000 by an independent valuer holding a recognised and relevant qualification and having recent experience in similar investment properties. Since the date of the valuation, improvement works totalling £413,890 have taken place and a piece of land valued at £35,000 has also been disposed of. The Trustee believes that the market value of the investment properties are at least equal to the valuation or have increased in value. The Trustee will have the properties revalued after completion of the current refurbishment works.

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

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THE HOLEHIRD TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Creditors: amounts falling due within one year

	Notes	2023 £	2022 as restated £
Deferred income	18	9,603	8,621
Other creditors		2,688	190,332
Accruals		15,865	51,315
		<u>28,156</u>	<u>250,268</u>

18 Deferred income

	2023 £	2022 £
Other deferred income	9,603	8,621
	<u>9,603</u>	<u>8,621</u>

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	9,603	8,621
	<u>9,603</u>	<u>8,621</u>
Movements in the year:		
Deferred income at 1 April 2022	8,621	5,907
Released from previous periods	(8,621)	(5,907)
Resources deferred in the year	9,603	8,621
	<u>9,603</u>	<u>8,621</u>
Deferred income at 31 March 2023	9,603	8,621
	<u>9,603</u>	<u>8,621</u>

Deferred income is rental income received which relates to future periods.

THE HOLEHIRD TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Unrestricted funds - revaluation reserve

These are unrestricted funds which are material to the trust's activities.

	At 1 April 2022	At 31 March 2023
	£	£
Revaluation reserve	7,726,048	7,726,048
Previous year:	At 1 April 2021	At 31 March 2022
	£	£
Revaluation reserve	7,726,048	7,726,048

20 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used.

	At 1 April 2022	Incoming resources	Resources expended	Gains and losses	At 31 March 2023
	£	£	£	£	£
Unrestricted funds	2,274,705	224,043	(391,263)	(11,126)	2,096,359
Previous year:	At 1 April 2021	Incoming resources	Resources expended	Gains and losses	At 31 March 2022
	£	£	£	£	£
Unrestricted funds	1,663,047	901,867	(382,522)	92,313	2,274,705

THE HOLEHIRD TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

21 Analysis of net assets between funds

	Unrestricted funds general	Unrestricted funds revaluation reserve	Total
	2023	2023	2023
	£	£	£
Fund balances at 31 March 2023 are represented by:			
Investment properties	848,842	7,726,048	8,574,890
Investments	724,980	-	724,980
Current assets/(liabilities)	522,537	-	522,537
	<u>2,096,359</u>	<u>7,726,048</u>	<u>9,822,407</u>
	<u><u>2,096,359</u></u>	<u><u>7,726,048</u></u>	<u><u>9,822,407</u></u>
	Unrestricted funds general	Unrestricted funds revaluation reserve	Total
	2022	2022	2022
	£	£	£
Fund balances at 31 March 2022 are represented by:			
Investment properties	848,842	7,726,048	8,574,890
Investments	886,106	-	886,106
Current assets/(liabilities)	539,757	-	539,757
	<u>2,274,705</u>	<u>7,726,048</u>	<u>10,000,753</u>
	<u><u>2,274,705</u></u>	<u><u>7,726,048</u></u>	<u><u>10,000,753</u></u>

22 Related party transactions

All transactions relating to income and expenditure are processed through the Land Agent's client records.

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

THE HOLEHIRD TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

23	Cash generated from operations	2023 £	2022 £
	(Deficit)/surplus for the year	(178,346)	611,658
	Adjustments for:		
	Investment income recognised in statement of financial activities	(197,273)	(195,806)
	Loss on disposal of investments	4,612	-
	Fair value gains and losses on investments	6,514	(92,313)
	Movements in working capital:		
	Decrease/(increase) in debtors	239,332	(642,126)
	(Decrease)/increase in creditors	(223,094)	124,196
	Increase in deferred income	982	2,714
	Cash absorbed by operations	(347,273)	(191,677)

24 Prior period adjustment

Changes to the statement of financial position

	At 31 March 2022		
	As previously reported	Adjustment	As restated
	£	£	£
Current assets			
Bank and cash	(189,381)	189,381	-
Creditors due within one year			
Other creditors	(52,266)	(189,381)	(241,647)
	<u>10,000,753</u>	<u>-</u>	<u>10,000,753</u>
Net assets	10,000,753	-	10,000,753
Capital funds			
Income funds			
Revaluation reserve	7,726,048	-	7,726,048
Unrestricted funds	2,274,705	-	2,274,705
Total equity	10,000,753	-	10,000,753

See further explanation in note 1.10 above.