

REGISTERED COMPANY NUMBER: 00819630 (England and Wales)
REGISTERED CHARITY NUMBER: 237934

Report of the Trustees and
Financial Statements for the Year Ended 31 July 2021
for
The Farmington Trust Limited

A D Accounts Limited (Registered Auditors)
Rural Enterprise Centre
Vincent Carey Road
Rotherwas
Hereford
Herefordshire
HR2 6FE

The Farmington Trust Limited

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for the Year Ended 31 July 2021

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2021. The trustees have adopted the provisions of 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

Objectives and aims

The Charity is established to promote, carry out or advance any charitable objects, and in particular any branches or aspects of education especially but not exclusively Christian Education, likely to promote morality and the acceptance of moral standards in human conduct including especially:

- 1) To promote and facilitate in any part of the world the study of the lives, writings and teachings of men and women of all religions, particularly Christian lives, writings and teachings and of moral philosophers of all nationalities.
- 2) To organise residential or other courses of study and conferences and to establish paid residential or other fellowships and to provide accommodation, food, drink and other amenities (either free of charge or on such terms as may be thought fit) to persons attending such residential or other course of study and conferences.
- 3) To establish fellowships, scholarships and prizes.
- 4) To publish and publicise the results of any residential or other courses of study or conferences or other work of the Trust.
- 5) To purchase, take on, lease or exchange, hire or otherwise acquire any real or personal property and any rights or privileges and to construct, maintain, equip and alter any buildings or erections on any such property.

These activities have been carried out in the name of the Farmington Institute which for twenty years prior to the 1 August 2015 has been based at Harris Manchester College in the University of Oxford. In the minds of many of the teachers, chaplains and schools who have been supported in their work by the Charity, the Farmington Institute has been perceived to its advantage, as being part of the College and thereby of the wider University. Against this background and as outlined in the report of the Trustees for the year ended 31 July 2015, on and with effect from 1 August 2015 the Charity and Harris Manchester College entered into a Co-Operation Agreement and in accordance with its terms:

- 1) The activities of the Farmington Institute were formally transferred to the College;
- 2) The Charity transferred the use of its building, via a sub-lease, to the College;
- 3) The Charity makes annual ongoing grants to the College to meet the total annual cost of the Farmington Institute;
- 4) The Charity, via its Trustees, is involved with the general governance of the College and more specifically the activities of the Farmington Institute;
- 5) The Charity made an additional single grant to the College of £5,001,645 which is included in the College's endowment and ring-fenced to support the common charitable purposes of the Charity and the College.

The Co-Operation Agreement provides for the relationship between the Charity and the College to be continually reviewed and, if successful, continue beyond an initial term of ten years.

The Charity aims to meet its objective indirectly by making the ongoing grants to fund the Farmington Institute at Harris Manchester College in accordance with the terms of the Co-Operation Agreement. In the year to 31st July 2021 the annual grant to the College to support the transferred activities was £601,786 (2020 - £359,520).

We summarise the activities of the Farmington Institute.

In the current and recent years the Farmington Institute has had, within the general aims set out above, the following target objectives:

- 1) To provide scholarships for teachers of RE in Secondary, Primary and Special Needs Schools. These Scholarships are tenable for up to one year and can be based either at a university or a school. The research should be of benefit to the individual teacher, the wider teaching community, and to school children.
- 2) To support head teachers by offering scholarships tenable for up to one term. The scholarships are to enable head teachers to undertake research on values and standards, and to have time to familiarize themselves with recent educational thinking, as well as to have the time and facilities for forward planning.
- 3) To offer fellowships to members of Her Majesty's Armed Forces, to undertake research on moral and ethical leadership in the University of Oxford.
- 4) To offer short-term fellowships and bursaries to clergy and ministers of religion and academics who are involved in RE.
- 5) To disseminate recent and interesting work in RE.
- 6) To build up a network of support for those involved in RE teaching.

Public benefit

The Trustees have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission.

STRATEGIC REPORT

Achievement and performance

Charitable activities

On the 1 August 2015 The Farmington Trust Limited entered into a Co-Operation Agreement with The Principals and Fellows of the Manchester Academy and Harris College in the University of Oxford. The agreement was to transfer the activities of Farmington Institute and use of the building under sub-lease to the College for an initial period of ten years with regular reviews. To support this agreement £5,001,645 of investments were transferred to the College which are ring fenced to support the common charitable purposes of the Trust and the College. The College also receive an annual grant to meet the projected annual cost of the transferred activities, which in the current year was of £601,786 (2020 - £359,520).

The achievement and performance of the Institute

Below is an extract from the report to trustees delivered by Dr. Sir Ralph Waller who is directly employed by the Trust to provide his services as Director of the Farmington Institute.

This year we have had 31 scholars who were engaged in some of the most cutting-edge research regarding Religious Education. All of these were teachers of Religious Education in either secondary or primary schools. For every Scholar, the Institute paid for a replacement teacher, an induction course, a tutor, travelling expenses, and reimbursement of agreed out of pocket expenses. We also paid a university fee for those who wished to be associated with a university. All Scholars are required to make a public presentation of their research, attend an annual conference where they present their work, and produce a written report which is available to any other teacher who requests it.

We also offered scholarships to four head teachers to undertake research related to values and standards in schools. We provided these scholars with a tutor, a replacement teacher, and a university affiliation, if they required it.

This year we commissioned and published papers by seven head teachers on a range of topics which we felt would be helpful to other head teachers. These papers are freely available to anyone who wants them. The papers are:

Helen Pike - 'A Classroom of One's Own? The Challenges of Recruiting Excellent Teachers'

Patrick Derham - 'The Widening Access Challenge'

Clare Wagner - 'Radically traditional: A new approach to teaching Religious Studies in secondary schools'

Tim Hands - 'Pastoral Care in Independent Schools: An Explanation, a Retrospect and a Plea'

Rupert Moreton - 'If we are serious about enabling children from the most vulnerable families to succeed educationally, support needs to start as early as possible as part of a wider ecosystem'

Damian Ettinger - 'Finding Time'

Simon Henderson - 'The importance of culture in understanding pupil well-being'

We now have some 740 reports (written by Farmington Scholars) dealing largely with the key aspects of teaching Religious Education. These reports are constantly requested by other school teachers and interested parties.

Due to the Covid pandemic, we felt that disadvantaged children were even more likely to be further disadvantaged by the outbreak of Covid 19. In response to this, we selected 41 schools who had already had an association with Farmington or were recommended to us and made grants to these schools to help them in supporting disadvantaged children. In total we provided £110,000 of support this year and committed to a further £440,000 to continue that support over the next four years. Each school has sent an update on how they have used the money for the benefit of disadvantaged children.

STRATEGIC REPORT

Achievement and performance

The Institute has continued to support the Armed Forces and particularly chaplains, both individually and as groups.

The Institute has supported the SPCK website on school assemblies.

We have also provided the use of our library to other charities, although this year, due to the pandemic, this opportunity has not been extensively used.

It has not been an easy year to keep everything going due to the pandemic, and the two Head Teachers' Forums that we ran, one in the North of England and one in the South of England, had to be abandoned. We will continue again with these this coming academic year.

We have planned three new initiatives for the coming year.

1. RE Teachers' Forums; we have made arrangements to hold three of these, in Lincoln, Bristol and Liverpool. Each forum consists of approximately ten teachers and will meet six times during the year.
2. We are planning to offer study Scholarships to Chaplains who are working with young people in young offenders' institutions.
3. We will be offering a scholarship to a Senior Member of the Armed Forces to undertake research into some aspects of moral and ethical leadership.

We plan to continue the tradition of hosting groups of teachers and children from local schools.

The Institute has continued the tradition of providing opportunities for clergy and ministers to undertake periods of study.

Mini scholarships are given in order to undertake particular pieces of work. This year we have given nine.

We are continually grateful to the universities who have hosted our Scholars, and especially Harris Manchester who have provided a home for us. We would like to record our grateful thanks to the following who have generously agreed to host our scholars this last year:

- o Bath: Bath Spa University, Religions, Philosophies & Ethics, Department of Humanities
- o Belfast: St Mary's University College; Stranmillis University College; and Queen's University Belfast
- o Bristol: University of Bristol
- o Cambridge: University of Cambridge, Faculty of Education/Homerton College
- o Chester: University of Chester
- o Durham: University of Durham, St Chad's College
- o Exeter: University of Exeter, School of Education (preferably Spring or Summer term)
- o Glasgow: University of Strathclyde, School of Education, John Anderson Campus and University of Glasgow
- o Lampeter/Carmarthen: University of Wales Trinity Saint David
- o Lincoln: University of Lincoln and Bishop Grosseteste University
- o Liverpool: Liverpool Hope University, Department of Theology & Religious Studies and Liverpool John Moores University/Liverpool Community Spirit
- o London: St Mary's University, Twickenham
- o Norwich: University of East Anglia, Centre for Spirituality & Religion in Education, School of Education & Lifelong Learning
- o Oxford: University of Oxford, Harris Manchester College
- o Warwick: University of Warwick, Institute of Education, Warwick Religions & Education Research Unit
- o York: York St John University

STRATEGIC REPORT

Achievement and performance

Investment performance

Cazenove report for the 12 months to 31st July 2021

The Cazenove portfolio returned +13.38% in the year to 31st July 2021, marginally behind the Trust's benchmark of 14.65% and in line with the ARC Balanced peer group index which rose by 13.68%. Our third benchmark, CPI+3%, rose by 5.1% over the period.

After a pause in the summer months of 2020, equity markets resumed their upward trend into the end of the year and into 2021, buoyed by the global quantitative easing program in response to COVID, central bank assurances that they would continue to do all they could to support the global economy and initial signs of re-emerging economic activity.

The second half of the period saw equity markets in the West perform better than those in the East, which were unsettled by the increasing threat of regulation in China and the intervention of the Government there. Both Asia and Emerging markets still posted strong gains over the period, but not as high as the 25% to 30% gains seen in the UK, Europe and the US.

Interest rate expectations remained firmly pinned to the floor for the first half of the period, but began to turn upwards in 2021, leading to a more challenging backdrop for fixed income markets. Inflation expectations also rose and US Tips in particular performed well over the period.

Equities were the main driver of portfolio returns with our equities in aggregate performing in line with global markets, helped by a much better performance from the UK. Our bond holdings recorded small gains against a negative Gilt market and Alternatives were marginally down with profit taking on Gold being a major factor after a strong run in the previous period.

We remain positive on the outlook for equities and alternatives, but expect to find bond markets more challenging. We are likely to hear more from central banks in the coming months about their plans for tapering their respective QE programs and to gain more clarity for interest rate expectations.

In the meantime, inflation is likely to remain in focus with year-on-year comparisons prompting a spike in global inflation data. The consensus view is that the spike will prove temporary, but there is no doubt that a more prolonged inflationary backdrop could reset investors' risk appetite. In this environment, equities remain our preferred asset class.

Financial review

Financial position

For the year ended 31 July 2021, net income amounted to £2,320,677 (2020 net expenditure - £377,553). Net assets totalled £25,605,002 (2020 - £23,284,325). Details of the financial position of the Charity are set out in the following accounts.

Principal funding sources

Income generated from investments held in the Designated Fund and Endowment Fund, together with rental income received on properties let by the Trust.

Reserves policy

The Statement of Financial Activities summarises the incoming resources and funds expended and these are analysed between unrestricted funds, restricted funds and endowment funds. Restricted funds are funds subject to specific usage declared by donors. Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the Charity. Part of an unrestricted fund may be designated as a separate fund.

Free reserves available for day to day activities amounted to £136,575 (2020 - £181,536) (unrestricted current assets less unrestricted current liabilities). Funds held are adequate and available to meet the obligations of the trust.

STRATEGIC REPORT

Achievement and performance

Future plans

In accordance with the Co-Operation Agreement with Harris Manchester College the Charity has agreed to devote its resources for a minimum period of ten years exclusively in support of the activities of the Farmington Institute at Harris Manchester College.

STRATEGIC REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The Trustees may from time to time appoint any person as a Trustee to fill a vacancy or as an addition to the number of Trustees. Any person shall retain his office only until the next Annual General Meeting but will then be eligible for re-election.

Most of the assets of the Charity have derived from gifts and legacies from our Founder, the late Hon. Robert Wills. These include a large amount of agricultural property in and around the town of Northleach in the Cotswolds. The balance of the liquid assets is managed by Cazenove & Co. In the recruitment and appointment of new Trustees persons have been sought who have expertise related to (i) the management of agricultural property, and in particular local knowledge of the property at Northleach; (ii) the management of our liquid investment funds; (iii) the management of charitable trusts; and (iv) the purpose of the Farmington Trust as set out above under "Objectives and Activities", in particular those relating to education and research in religion and morality.

Induction and training of new trustees

After appointment all new Trustees fill in relevant forms for the Charity Commissioners and Companies House, plus conflict of interest, skills audit and acknowledge their responsibilities.

Related parties

The Trustees are members of a sub-committee of the governing body of Harris Manchester College charged with overseeing the activities of the Farmington Institute.

Mr H M Henderson, Chairman of the Trustees, is a member of the governing body of Harris Manchester College and has formerly worked with Cazenove & Co, the Trust's stockbrokers.

The Rev. Dr. Sir Ralph Waller, who is directly employed by the Trust to provide his services as Director of the Farmington Institute within Harris Manchester College, is also the former Principal of Harris Manchester College.

Mr R D C Henderson, a Trustee, is a member of the investment committee of Harris Manchester College.

Sir John Kemp-Welch formerly worked with Cazenove & Co, the Trust's stockbrokers.

Mr G W Hudson, a volunteer and a member of the Finance and Investment Sub-Committee, is a member of the governing body of Harris Manchester College and has also been involved in the property development work carried out in Northleach.

Rev. Prof. Jane Shaw, a trustee, is the current Principal of Harris Manchester College.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Policy decisions of the charity are made by the Trustees with the involvement of the Company Secretary, Mr George Hudson, a volunteer and former Company Secretary, and Sir Ralph Waller, who serves as Director of the Farmington Institute. Dr Ralph Waller is also the former Principal of Harris Manchester College. On a day to day basis invoices are approved by either Sir Ralph Waller or Mr G W W Hudson, (unless an invoice is more than an agreed limit in which case approval of both parties is required) with the oversight of the Company Secretary and our accountants and subject to being within the budget. All payments are made via online banking.

The budget for the year, at which income and expenditure is forecast, is created within the Finance Sub-committee. A major element of the budget is the Ongoing Grant to Harris Manchester College for the funding of the activities of the Farmington Institute, the amount of which is determined by a formula contained within the Co-operation Agreement and is based on the average of the twelve last quarterly valuations of the endowment together with the Net Rental Income drawn from the most recently available audited financial statements. The ongoing grant in the current year was adjusted downward by agreement to reflect the significant adverse effect of the pandemic on the investment performance. This is then further approved at the Trustees meeting. A separate Investment Sub-committee reviews the investment policy about suitable investments, together with the projected income and capital growth of those investments.

Further details concerning the structure of the charity can be found in the Reference and Administrative Details.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00819630 (England and Wales)

Registered Charity number

237934

Registered office

Harris Manchester College
Mansfield Road
Oxford
OX1 3TD

Trustees

H M Henderson
Dr C Wills
P N H Gibbs
P J H Wills
R D C Henderson
Sir J Kemp-Welch
R H Wills
Hon R I H Wills
I L H Ormerod
Rev. Prof. J Shaw
Dr T R Hands
Rt. Hon. A K Kakkar, Professor The Lord (appointed 23.6.21)

Finance & Investment Sub-Committee

Certain powers of the governors can be delegated to a Finance & Investment Sub-Committee. This committee shall consist of a minimum of three governors.

Members of the Finance & Investment Sub-Committee:

Mr P N H Gibbs
Mr H M Henderson
Sir J Kemp-Welch
Mr R D C Henderson
Mr G W W Hudson

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

A D Accounts Limited (Registered Auditors)
Rural Enterprise Centre
Vincent Carey Road
Rotherwas
Hereford
Herefordshire
HR2 6FE

Solicitors

Burges Salmon
Narrow Quay House
Narrow Quay
Bristol
BS1 4AH

Bankers

Coutts and Co
440 The Strand
London
WC2R 0QS

Investment Advisors

Cazenove Capital Management Ltd
12 Moorgate
London
EC2R 6DA

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Farmington Trust Limited for the purposes of company law) 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).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Farmington Trust Limited

Report of the Trustees
for the Year Ended 31 July 2021

AUDITORS

The auditors, A D Accounts Limited (Registered Auditors), will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 15 November 2021 and signed on the board's behalf by:


.....
H M Henderson - Trustee

Opinion

We have audited the financial statements of The Farmington Trust Limited (the 'charitable company') for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 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.

Matters on which we are required to report by exception

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

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; 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 (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors 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 a Report of the Independent Auditors 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 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;
- Specific laws and regulations applicable to the Charity were identified from our knowledge and experience of the activities of the Charity.

The laws and regulations identified were that of the Companies Act 2006, the Charities Act 2011 and tax legislation.

We assessed the extent of compliance with laws and regulations identified above through making enquiries of personnel and inspecting board minutes, lease agreements and other legal documentation.

Throughout the audit, we were mindful of identified laws and regulations and remained alert to instances of non-compliance throughout the audit.

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

- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud/error and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Tested for large and unusual bank transactions.
- Performed substantive procedures looking at transactions linked with related parties and those involved in the day to day running of the business.

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 be aware of non-compliance. Auditing standards also limit audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and the inspection of the 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.

Responsibility for the prevention of irregularities, including fraud, rests with the trustees.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



for and on behalf of A D Accounts Limited (Registered Auditors)
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Rural Enterprise Centre
Vincent Carey Road
Rotherwas
Hereford
Herefordshire
HR2 6FE

Date: 16 November 2021

Statement of Financial Activities – Income and Expenditure
for the Year Ended 31 July 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	1,500	-	-	1,500	152,158
Investment income	3	347,848	-	112,710	460,558	488,249
Other income		<u>55,686</u>	<u>-</u>	<u>-</u>	<u>55,686</u>	<u>56,605</u>
Total		405,034	-	112,710	517,744	697,012
EXPENDITURE ON						
Raising funds	4	92,939	-	34,824	127,763	111,338
Charitable activities	5					
Attributable to grant making		679,153	-	-	679,153	547,689
Total		<u>772,092</u>	<u>-</u>	<u>34,824</u>	<u>806,916</u>	<u>659,027</u>
Net gains/(losses) on investments	12	<u>1,645,493</u>	<u>-</u>	<u>964,356</u>	<u>2,609,849</u>	<u>(415,538)</u>
NET INCOME/(EXPENDITURE)		1,278,435	-	1,042,242	2,320,677	(377,553)
Transfers between funds	20	<u>750,320</u>	<u>-</u>	<u>(750,320)</u>	<u>-</u>	<u>-</u>
Net movement in funds		2,028,755	-	291,922	2,320,677	(377,553)
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>14,990,577</u>	<u>9,636</u>	<u>8,284,112</u>	<u>23,284,325</u>	<u>23,661,878</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>17,019,332</u></u>	<u><u>9,636</u></u>	<u><u>8,576,034</u></u>	<u><u>25,605,002</u></u>	<u><u>23,284,325</u></u>

The notes form part of these financial statements

The Farmington Trust Limited

Balance Sheet
31 July 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS						
Tangible assets	13	268,110	-	-	268,110	269,239
Investments						
Investments	14	8,143,957	-	8,230,224	16,374,181	14,747,458
Investment property	15	<u>8,759,191</u>	<u>-</u>	<u>345,810</u>	<u>9,105,001</u>	<u>8,270,853</u>
		17,171,258	-	8,576,034	25,747,292	23,287,550
CURRENT ASSETS						
Debtors	16	178,156	-	-	178,156	22,678
Cash at bank		<u>21,764</u>	<u>9,636</u>	<u>-</u>	<u>31,400</u>	<u>220,962</u>
		199,920	9,636	-	209,556	243,640
CREDITORS						
Amounts falling due within one year	17	<u>(63,345)</u>	<u>-</u>	<u>-</u>	<u>(63,345)</u>	<u>(52,468)</u>
NET CURRENT ASSETS		<u>136,575</u>	<u>9,636</u>	<u>-</u>	<u>146,211</u>	<u>191,172</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		17,307,833	9,636	8,576,034	25,893,503	23,478,722
CREDITORS						
Amounts falling due after more than one year	18	<u>(288,501)</u>	<u>-</u>	<u>-</u>	<u>(288,501)</u>	<u>(194,397)</u>
NET ASSETS		<u>17,019,332</u>	<u>9,636</u>	<u>8,576,034</u>	<u>25,605,002</u>	<u>23,284,325</u>
FUNDS	20					
Unrestricted funds:						
General fund					755,876	880,228
Designated fund					<u>16,263,456</u>	<u>14,110,349</u>
					<u>17,019,332</u>	<u>14,990,577</u>
Restricted funds					9,636	9,636
Endowment funds					<u>8,576,034</u>	<u>8,284,112</u>
TOTAL FUNDS					<u>25,605,002</u>	<u>23,284,325</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2021.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The notes form part of these financial statements

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 15 November 2021 and were signed on its behalf by:



.....
H M Henderson - Trustee

The Farmington Trust Limited

Cash Flow Statement
for the Year Ended 31 July 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(626,334)</u>	<u>(351,507)</u>
Net cash used in operating activities		<u>(626,334)</u>	<u>(351,507)</u>
Cash flows from investing activities			
Purchase of quoted investments		(4,816,186)	(4,733,699)
Purchase of investment property		(15,841)	(7,980)
Sale of quoted investments		4,646,397	5,408,538
Movement on cash held at Cazenove		337,662	(486,876)
Accrued income on quoted investments		(3,054)	12,180
Interest received		520	274
Dividends received		<u>209,388</u>	<u>260,268</u>
Net cash provided by investing activities		<u>358,886</u>	<u>452,705</u>
Cash flows from financing activities			
Income attributable to endowment		112,710	136,417
Expenditure attributable to endowment		<u>(34,824)</u>	<u>(32,740)</u>
Net cash provided by financing activities		<u>77,886</u>	<u>103,677</u>
Change in cash and cash equivalents in the reporting period		<u>(189,562)</u>	<u>204,875</u>
Cash and cash equivalents at the beginning of the reporting period		<u>220,962</u>	<u>16,087</u>
Cash and cash equivalents at the end of the reporting period		<u><u>31,400</u></u>	<u><u>220,962</u></u>

The notes form part of these financial statements

1. **RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	2,320,677	(377,553)
Adjustments for:		
Depreciation charges	1,129	1,134
(Gain)/losses on investments	(2,609,849)	415,538
Interest received	(520)	(274)
Dividends received	(209,388)	(260,268)
Income attributable to endowment	(112,710)	(136,417)
Expenditure attributable to endowment	34,824	32,740
(Increase)/decrease in debtors	(155,478)	28,520
Increase/(decrease) in creditors	104,981	(54,927)
Net cash used in operations	<u>(626,334)</u>	<u>(351,507)</u>

2. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.8.20 £	Cash flow £	At 31.7.21 £
Net cash			
Cash at bank	<u>220,962</u>	<u>(189,562)</u>	<u>31,400</u>
	<u>220,962</u>	<u>(189,562)</u>	<u>31,400</u>
Total	<u>220,962</u>	<u>(189,562)</u>	<u>31,400</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Gifts in kind are shown on the Statement of Financial Activities as donations and on the Balance Sheet as assets at their market values.

Grants are recognised once all conditions for their receipt have been met.

Investment income is accounted for on the date payable and includes attributable tax recoverable.

Rental income is recognised when receivable.

Rental premiums are recognised over the term of the lease for which they have been received.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Raising funds

Costs of generating funds comprise investment management costs and the costs associated with the maintenance and upkeep of rental properties.

Investment management costs are split between the endowment fund and the designated fund in proportion to the opening fund values.

Support costs

Support costs are general and overhead costs which are not specific to Governance arrangements, but enable the charitable activities to be undertaken. These costs are allocated on a direct basis to each activity and disclosed in note 7.

Governance costs

Included within support costs are Governance costs. These are associated with the Governance arrangements of the Charity which relate to the general running of the charity as opposed to those costs associated with the charitable activities. The costs include external audit.

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	- in accordance with the lease term
Improvements to property	- 2% on cost
Library	- 10% on reducing balance

Assets costing more than £100 are capitalised at cost. On disposal of assets in the ordinary course of business adjustments are made to the depreciation charge to reflect difference between, the actual and estimated aggregate depreciation.

Investment property

Investment properties are stated at the Trustees' best estimate of the market value. Any aggregate surplus or deficit arising from changes in market value are recognised through the Statement of Financial Activities.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds have been set aside by the Trustees from assets and investments transferred from Broadfield Trust and the estate of the Honourable E R H Wills.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds have been donated to the Charity.

A transfer is made from the Endowment Fund to the Unrestricted General Income Fund reflecting the difference between the income received on investments and the total return basis. The total return is calculated based on 3.5% of the average value of the investments over the previous twelve quarters.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Listed investments

Listed investments are stated at their market value. Any aggregate surplus or deficit arising from changes in market value is recognised through the Statement of Financial Activities.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	<u>1,500</u>	<u>152,158</u>

The above donations have been made for the following purposes:

Kings Mound	-	100,000
Gift Aid credit	-	20,108
Other	<u>1,500</u>	<u>32,500</u>
	<u>1,500</u>	<u>152,158</u>

3. INVESTMENT INCOME

	2021	2020
	£	£
Rents received	250,650	227,707
Dividends and interest	209,388	260,268
Interest - cash deposits	-	274
Interest - deferred premium	<u>520</u>	<u>-</u>
	<u>460,558</u>	<u>488,249</u>

4. RAISING FUNDS

Investment management costs

	2021	2020
	£	£
Investment management costs	64,694	62,463
Cost of rental properties	<u>63,069</u>	<u>48,875</u>
	<u>127,763</u>	<u>111,338</u>

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Attributable to grant making	<u>601,786</u>	<u>77,367</u>	<u>679,153</u>

6. GRANTS PAYABLE

	2021	2020
	£	£
Attributable to grant making	<u>601,786</u>	<u>359,520</u>

The total grants paid to institutions during the year was as follows:

	2021	2020
	£	£
Harris Manchester College - Grant B	<u>601,786</u>	<u>359,520</u>

On the 1 August 2015 The Farmington Trust Limited entered into a Co-Operation Agreement with The Principals and Fellows of the Manchester Academy and Harris College in the University of Oxford. The agreement was to transfer the activities of Farmington Institute and use of the building under sub-lease to the College for an initial period of ten years with regular reviews. To support this agreement £5,001,645 of investments were transferred to the College which are ring fenced to support the common charitable purposes of the Trust and the College. The College also receive an annual grant to meet the projected annual cost of the transferred activities, which in the current year was £601,786 (2020 - £359,520). Included in this total grant are wages of £55,686 (2020 - £56,605) paid on behalf of the Farmington Institute and in lieu of payment to the Farmington Institute as part of the on going grant.

7. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
Attributable to grant making	<u>71,501</u>	<u>616</u>	<u>5,250</u>	<u>77,367</u>

A lease had been taken out during the prior year for the use of Kings Mound, this was not renewed during the current year. The total amount payable in the year for rent and expenses was £NIL (2020 - £100,001).

Support costs, included in the above, are as follows:

	2021	2020
	Attributable to grant making	Total activities
	£	£
Wages	55,686	56,605
Pensions paid for past service	6,385	6,917
Other operating leases	-	100,001
Insurance	1,788	1,407
Company Secretary	-	7,640
Accountancy	2,750	2,730
Legal and professional costs	3,763	5,907
Depreciation of tangible and heritage assets	1,129	1,134
Bank charges	616	608
Auditors' remuneration	<u>5,250</u>	<u>5,220</u>
	<u>77,367</u>	<u>188,169</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	5,250	5,220
Depreciation - owned assets	1,129	1,134
Other operating leases	-	100,001
	<u>-</u>	<u>100,001</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2021 nor for the year ended 31 July 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 July 2021 nor for the year ended 31 July 2020.

10. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	55,686	56,605
Other pension costs	6,385	6,917
	<u>62,071</u>	<u>63,522</u>

The average monthly number of employees during the year was as follows:

	2021	2020
Working on charitable activities	<u>1</u>	<u>1</u>

No employees received emoluments in excess of £60,000.

11. MATERIAL TRANSFERS

The investments are managed on a "total return" basis, based on 3.5% of the average value of the investments over the previous twelve quarters. A transfer is made from the Endowment Fund to the Unrestricted General Income Fund reflecting the difference between the income received on investments and the total return basis.

During the year, the investment return relating to the permanent endowment fund was £1,042,243. The unapplied total return allocated to income in the reporting period was £750,320.

12. NET GAINS/(LOSSES) ON INVESTMENT

	2021 £	2020 £
Investment portfolio	1,791,543	(415,538)
Investment properties	818,307	-
	<u>2,609,849</u>	<u>(415,538)</u>

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Improvements to property £	Library £	Totals £
COST				
At 1 August 2020 and 31 July 2021	<u>295,000</u>	<u>4,095</u>	<u>15,391</u>	<u>314,486</u>
DEPRECIATION				
At 1 August 2020	28,000	2,328	14,919	45,247
Charge for year	<u>1,000</u>	<u>82</u>	<u>47</u>	<u>1,129</u>
At 31 July 2021	<u>29,000</u>	<u>2,410</u>	<u>14,966</u>	<u>46,376</u>
NET BOOK VALUE				
At 31 July 2021	<u>266,000</u>	<u>1,685</u>	<u>425</u>	<u>268,110</u>
At 31 July 2020	<u>267,000</u>	<u>1,767</u>	<u>472</u>	<u>269,239</u>

14. FIXED ASSET INVESTMENTS

	2021 £	2020 £
Listed investment portfolio	<u>16,374,181</u>	<u>14,747,458</u>

Included within investments held on Stock Exchange are investment assets outside the UK of £6,183,993 (2020 - £4,355,028). All other investment assets are investment assets in the UK.

The historical cost of the listed investments, excluding cash, held at 31 July 2021 was £13,668,904 (2020 - £12,317,867).

The following investments were held at 31 July 2021 with a value in excess of 5% of the market value of listed investments:

Trojan Income Fund
LF Majedie UK Equity Fund
Polar UK Value Opportunities Fund
Vanguard FTSE UK All Share Index
MU Lyxor Core US TIPS UCITS ETF

Movement in fixed asset investments	2021 £	2020 £
Market value 1 August (excluding cash held)	14,141,853	15,244,410
Additions at cost	4,816,186	4,733,699

14. FIXED ASSET INVESTMENTS - continued

Disposal proceeds	(4,646,397)	(5,408,538)
Gains/(Losses) on investment assets	1,791,543	(415,538)
Accrued interest (movement)	<u>3,054</u>	<u>(12,180)</u>
Market value at 31 July (excluding cash held)	16,106,238	14,141,853
Cash held at 31 July	<u>267,943</u>	<u>605,605</u>
Market value of investments 31 July	<u><u>16,374,181</u></u>	<u><u>14,747,458</u></u>

15. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 August 2020	8,270,853
Additions	15,841
Revaluation	<u>818,307</u>
At 31 July 2021	<u>9,105,001</u>
NET BOOK VALUE	
At 31 July 2021	<u><u>9,105,001</u></u>
At 31 July 2020	<u><u>8,270,853</u></u>

An informal valuation has been undertaken by Mr L G Greaves FRICS at 31 July 2021, indicating a market value of £9,105,001, which the Governors have adopted in these accounts.

The historical cost of the property investments, held at 31 July 2021 was £4,961,052 (2020 - £4,945,211).

Fair value at 31 July 2021 is represented by:

	£
Valuation in 2020	8,270,853
Valuation in 2021	<u>834,148</u>
	<u><u>9,105,001</u></u>

16. DEBTORS

	2021	2020
	£	£
Amounts falling due within one year:		
Other debtors	13,435	16,048
Prepayments and accrued income	<u>7,201</u>	<u>6,630</u>
	<u><u>20,636</u></u>	<u><u>22,678</u></u>

16. DEBTORS - continued

	2021 £	2020 £
Amounts falling due after more than one year:		
Deferred premium	<u>157,520</u>	<u>-</u>
Aggregate amounts	<u>178,156</u>	<u>22,678</u>

Within other debtors are amounts totalling £9,057 which may not be repayable within one year.

Deferred premiums at the year end of £157,520 relate to premiums due from a new tenant. The sum is due to be paid from the proceeds of the tenants house which was on the market at the year end.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Lease premiums	55,344	44,669
Accrued expenses	<u>8,001</u>	<u>7,799</u>
	<u>63,345</u>	<u>52,468</u>

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Lease premiums	281,501	187,397
Security premiums	<u>7,000</u>	<u>7,000</u>
	<u>288,501</u>	<u>194,397</u>

19. LEASING AGREEMENTS

During the previous year, the trust ended the lease with the Balliol College for the use of the King's Mound property.

20. MOVEMENT IN FUNDS

	At 1.8.20 £	Net movement in funds £	Transfers between funds £	At 31.7.21 £
Unrestricted funds				
General fund	880,228	(337,188)	212,836	755,876
Designated fund	<u>14,110,349</u>	<u>1,615,623</u>	<u>537,484</u>	<u>16,263,456</u>
	14,990,577	1,278,435	750,320	17,019,332
Restricted funds				
Restricted	9,636	-	-	9,636
Endowment funds				
Endowment fund	8,284,112	1,042,242	(750,320)	8,576,034
TOTAL FUNDS	<u>23,284,325</u>	<u>2,320,677</u>	<u>-</u>	<u>25,605,002</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	405,034	(742,222)	-	(337,188)
Designated fund	<u>-</u>	<u>(29,870)</u>	<u>1,645,493</u>	<u>1,615,623</u>
	405,034	(772,092)	1,645,493	1,278,435
Endowment funds				
Endowment fund	112,710	(34,824)	964,356	1,042,242
TOTAL FUNDS	<u>517,744</u>	<u>(806,916)</u>	<u>2,609,849</u>	<u>2,320,677</u>

20. MOVEMENT IN FUNDS - continued**Comparatives for movement in funds**

	At 1.8.19 £	Net movement in funds £	Transfers between funds £	At 31.7.20 £
Unrestricted funds				
General fund	597,884	(35,968)	318,312	880,228
Designated fund	<u>14,656,123</u>	<u>(227,462)</u>	<u>(318,312)</u>	<u>14,110,349</u>
	15,254,007	(263,430)	-	14,990,577
Restricted funds				
Restricted	9,636	-	-	9,636
Endowment funds				
Endowment fund	8,398,235	(114,123)	-	8,284,112
TOTAL FUNDS	<u>23,661,878</u>	<u>(377,553)</u>	<u>-</u>	<u>23,284,325</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	560,595	(596,563)	-	(35,968)
Designated fund	<u>-</u>	<u>(29,724)</u>	<u>(197,738)</u>	<u>(227,462)</u>
	560,595	(626,287)	(197,738)	(263,430)
Endowment funds				
Endowment fund	136,417	(32,740)	(217,800)	(114,123)
TOTAL FUNDS	<u>697,012</u>	<u>(659,027)</u>	<u>(415,538)</u>	<u>(377,553)</u>

20. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.8.19 £	Net movement in funds £	Transfers between funds £	At 31.7.21 £
Unrestricted funds				
General fund	597,884	(373,156)	531,148	755,876
Designated fund	<u>14,656,123</u>	<u>1,388,161</u>	<u>219,172</u>	<u>16,263,456</u>
	15,254,007	1,015,005	750,320	17,019,332
Restricted funds				
Restricted	9,636	-	-	9,636
Endowment funds				
Endowment fund	8,398,235	928,119	(750,320)	8,576,034
TOTAL FUNDS	<u>23,661,878</u>	<u>1,943,124</u>	<u>-</u>	<u>25,605,002</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	965,629	(1,338,785)	-	(373,156)
Designated fund	<u>-</u>	<u>(59,594)</u>	<u>1,447,755</u>	<u>1,388,161</u>
	965,629	(1,398,379)	1,447,755	1,015,005
Endowment funds				
Endowment fund	249,127	(67,564)	746,556	928,119
TOTAL FUNDS	<u>1,214,756</u>	<u>(1,465,943)</u>	<u>2,194,311</u>	<u>1,943,124</u>

The Endowment Fund represents funds donated to the Charity.

A transfer is made from the Endowment Fund to the Unrestricted General Income Fund reflecting the difference between the income received on investments and the total return basis. The total return is calculated based on 3.5% of the average value of the investments over the previous twelve quarters.

The Designated Fund has been set aside by the governors from assets and investments transferred from Broadfield Trust and the Honourable E R H Wills.

The income generated from investments held in the Designated is included in the Unrestricted General Income Fund for the use in Charitable Activities.

Investment Management costs and net gains and losses on investments are split between the Endowment and Designated Fund in proportion to the opening fund values.

20. MOVEMENT IN FUNDS - continued

The restricted fund represents amounts donated to fund fellowships as specified by the donor.

Total return

	Endowment £	Unapplied Total Return £	Total Endowment £
At the beginning of the reporting period:			
Gift component of the permanent endowment	5,538,795	-	5,538,795
Unapplied total return	-	2,399,506	2,399,506
	<u>5,538,795</u>	<u>2,399,506</u>	<u>7,938,301</u>
Movement in the reporting period:			
Investment return: dividends and interest	-	112,710	112,710
Investment return: realised and unrealised gains	-	964,356	964,356
Less: investment management costs	-	(34,823)	(34,823)
		<u>1,042,243</u>	<u>1,042,243</u>
Unapplied total return allocated to income in the reporting period	-	(750,320)	(750,320)
Net movements in the reporting period	-	<u>291,923</u>	<u>291,923</u>
At the end of the reporting period			
Gift component of the permanent endowment	5,538,795	-	5,538,795
Unapplied total return	-	2,691,428	2,691,428
Total	<u>5,538,795</u>	<u>2,691,428</u>	<u>8,230,223</u>

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 July 2021.

22. GUARANTEE

Every member of the Trust undertakes to contribute to the assets of the Trust, in the event of the same being wound up while he is a member, or within one year after he ceased to be a member, for payment of the debts and liabilities of the Trust contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights or the contributions among themselves such amounts as may be required not exceeding £1.

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS					
Donations and legacies					
Donations	1,500	-	-	1,500	152,158
Investment income					
Rents received	250,650	-	-	250,650	227,707
Dividends and interest	96,678	-	112,710	209,388	260,268
Interest - cash deposits	-	-	-	-	274
Interest - deferred premium	520	-	-	520	-
	347,848	-	112,710	460,558	488,249
Other income					
Payroll contribution received	55,686	-	-	55,686	56,605
Total incoming resources	405,034	-	112,710	517,744	697,012
EXPENDITURE					
Investment management costs					
Investment management costs	29,870	-	34,824	64,694	62,463
Cost of rental properties	63,069	-	-	63,069	48,875
	92,939	-	34,824	127,763	111,338
Charitable activities					
Grants to institutions	601,786	-	-	601,786	359,520
Support costs					
Management					
Wages	55,686	-	-	55,686	56,605
Pensions paid for past service	6,385	-	-	6,385	6,917
Other operating leases	-	-	-	-	100,001
Insurance	1,788	-	-	1,788	1,407
Company Secretary	-	-	-	-	7,640
Accountancy	2,750	-	-	2,750	2,730
Legal and professional costs	3,763	-	-	3,763	5,907
Depreciation of tangible and heritage assets	1,129	-	-	1,129	1,134
	71,501	-	-	71,501	182,341
Finance					
Bank charges	616	-	-	616	608

The Farmington Trust Limited

Detailed Statement of Financial Activities
for the Year Ended 31 July 2021

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
Finance					
Governance costs					
Auditors' remuneration	<u>5,250</u>	<u>-</u>	<u>-</u>	<u>5,250</u>	<u>5,220</u>
Total resources expended	<u>772,092</u>	<u>-</u>	<u>34,824</u>	<u>806,916</u>	<u>659,027</u>
Net (expenditure)/income before gains and losses	(367,058)	-	77,886	(289,172)	37,985
Realised and unrealised recognised gains and losses					
Fixed asset investments	827,186	-	964,356	1,791,542	(415,538)
Investment property	<u>818,307</u>	<u>-</u>	<u>-</u>	<u>818,307</u>	<u>-</u>
Net income/(expenditure)	<u>1,278,435</u>	<u>-</u>	<u>1,042,242</u>	<u>2,320,677</u>	<u>(377,553)</u>

This page does not form part of the statutory financial statements