

NORTHAM TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

NORTHAM TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs E J Brown Mr B J Reid Rev. P D Strong Mr P Greenaway Mr M Bolt Mr A Munns (Appointed 28 June 2023)
Administrator and Secretary	HR & Finance Business Solutions
Charity number	257214
Principal address	Hall Close Main Street Loddington Kettering Northants NN14 1LA
Independent examiner	Azets Audit Services Thorpe House 93 Headlands Kettering Northants NN15 6BL
Bankers	NatWest High Street Kettering Northants NN16 8SZ
Solicitors	Wilson Browne Kettering Parkway South Kettering Venture Park Kettering NN15 6WN

NORTHAM TRUST

CONTENTS

	Page
Trustees' report	1 - 3
Independent examiner's report	4
Statement of financial activities	5
Balance sheet	6
Notes to the financial statements	7 - 16

NORTHAM TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2023

The trustees present their annual report and financial statements for the year ended 5 April 2023.

The accounts have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Objectives and activities

The charitable Trust was founded by Mr E A Timson deceased. It was established by a trust deed dated 25th January 1967, as amended by a further deed in 1975.

The Trust was established to alleviate the hardships of persons of limited means residing in the Borough of Kettering or elsewhere in Northamptonshire, principally by the provision of almshouses, houses, flats, lodgings or apartments at rents within their means or free of rents.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and in planning its future activities.

The Trust achieves its objective by providing 10 accommodation units at Northam Court, Kettering. The units comprise 6 flats and 4 bungalows which are let at a rent subsidised by income from the Trust's investments. The Trust provides all fixtures and fittings for the accommodation and is also responsible for the provision of external redecoration, repairs, water heaters, insurance and general site maintenance.

The accommodation units are usually fully occupied. When vacancies arise, the election of new tenants is made at Trustees' meetings. Tenants are such persons as the trustees shall at their absolute discretion consider to be eligible under the terms of the trust deed. Each applicant shall be considered on his or her respective merits and those of his or her spouse, regard being had to the factors listed below:

- a) Advancing years
- b) Hardship
- c) Length of residence in the Borough of Kettering
- d) Length of residence in Northamptonshire
- e) Such other causes and matters and things as, to the Trustees, seem fit.

There have been no changes in activity since the date of the last report.

Achievements and performance

As reported in 2020, due to crack and movement damage, the Trustees decided that two of the four bungalows should be demolished and rebuilt. Work on the project commenced in 2021 and was completed in late 2022. Inevitably, this affected the occupancy rate which was 76% (2022: 50%) for the four bungalows, compared to just over 87% (2022: 84%) for the flats.

Despite the continuing commitment of the Trust to high levels of maintenance of both the buildings and grounds, we have been able to maintain residents' contributions at a low level. Due to the matters discussed above, contributions this year totalled £21,543 compared to £18,058 for 2022. Expenditure, excluding governance costs, on the provision of accommodation totalled £29,113 for the current year and £18,270 for 2022.

NORTHAM TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

Financial review

Total incoming resources in the year increased from £74,190 to £94,445. Income from donations was £68,281 (2022: £50,000). Residents' contributions increased by £3,485 to £21,543 and investment income decreased by £84 to £4,521.

Total expenditure in the year was £34,505 (2022: £23,077). Property repairs increased from £6,694 to £20,249. 2023 costs included £8,687 for the replacement of kitchen units, £1,470 on new floor coverings, £666 for clearance of and minor repairs to a vacated flat and £1,280 on removal and installation costs. Further details of expenditure are provided in the notes to the financial statements.

Net unrealised losses on investments were £5,874 (2022: gains £2,698).

Net income for the year was £54,066 (2022: £53,811).

Reserves policy

General reserves freely available at 5 April 2023 were £78,269 (2022: £70,574). The free reserves comprise unrestricted funds not invested in tangible fixed assets. The freely available reserves invested at 5 April 2023 totalled £137,978 (2022: £143,852). These investments are classified as fixed assets and are held to ensure continuity in the level of rent subsidy provided to our tenants, who are the beneficiaries of the charity. A material reduction or withdrawal of the subsidy with little or no notice would, in our opinion, cause the very hardships which the charity aims to alleviate.

The balance of free reserves at 5 April 2023 totalled £Nil (2022: £Nil). The trustees have previously adopted a policy of maintaining free resources not earmarked for long term investment at a level which is approximately equivalent to twelve months of expected annual expenditure. This is estimated to equate to approximately £31,000 to £35,000 at 5 April 2023. At this level, the trustees consider that, in the event of a significant decrease in income, they would be able, in the short term, to continue to meet their obligations to residents, whilst maintaining their contributions at the present low level. It would obviously be necessary to consider how income would be replaced or activities changed. Although free reserves were below target level at the year end, following completion of the project to rebuild two of the bungalows owned by the Trust, all properties are now occupied and income from residents' contributions has increased. As a result, it is expected that free reserves will increase towards target level over the medium term. The trustees will continue to review their reserves policy on a regular basis.

Investment policy and performance

The trustees have considered the most appropriate policy for investing funds and consider that specialised unit trusts designed for the charity sector, and a building society investment account, meet their requirement to generate both income and capital growth with a low level of risk. Income from these investments for the year was £4,521 (2022: £4,605). In 2023, market conditions resulted in an unrealised loss on the unit trust investments of £5,874. This compares to an unrealised gain of £2,698 in 2022.

Future plans

The trustees' objective is to continue to achieve high levels of occupancy by maintaining the current high standards of accommodation, whilst maintaining residents' contributions at a low level.

NORTHAM TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

Structure, governance and management

The charity is an unincorporated charity registered with the Charity Commission for England and Wales.

The trust deed provides for a minimum of four and a maximum of ten trustees. The trustees have the power to appoint substitute or additional trustees. The trustees may, if it appears expedient and proper so to do, invite Northamptonshire County Council to nominate persons for consideration by the trustees in the appointment of new or additional trustees. Mr E A Timson deceased, the founder of the Trust, had the power, in the case of any vacancy in the number of trustees, to nominate not more than four additional trustees. This power now rests with Mrs E J Brown. The Trustees remain in office until they are removed.

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

Mrs E J Brown

Dr J A Jefferis

(Resigned 28 June 2023)

Mr B J Reid

Rev. P D Strong

Mr P Greenaway

Mr M Bolt

Mr A Munns

(Appointed 28 June 2023)

Risk review

The trustees have reviewed the major risks to which the Trust is exposed. The main financial risk has been connected with investment management, but this has been mitigated by investment in specialised unit trusts designed for the charity sector. The main operating risk concerns that arising from the landlord and tenant relationship. This has been mitigated by proper procedures when dealing with tenancy matters, regular maintenance of the properties, employment of professionals when necessary and insurance.

The trustees' report was approved by the Board of Trustees.

Mrs E J Brown

Trustee

Dated: 26 September 2023

NORTHAM TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF NORTHAM TRUST

I report to the trustees on my examination of the financial statements of Northam Trust (the Trust) for the year ended 5 April 2023.

Responsibilities and basis of report

As the trustees of the Trust you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the Trust's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the Trust as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Paul Tyler FCA
Institute of Chartered Accountants in England and Wales
Azets Audit Services
Thorpe House
93 Headlands
Kettering
NN15 6BL
United Kingdom

Dated: 28 September 2023

NORTHAM TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 5 APRIL 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Notes							
<u>Income and endowments from:</u>							
Donations and legacies	3	-	68,281	68,281	-	50,000	50,000
Charitable activities	4	21,543	-	21,543	18,058	-	18,058
Investments	5	4,521	-	4,521	4,605	-	4,605
Other income	6	100	-	100	1,527	-	1,527
Total income		26,164	68,281	94,445	24,190	50,000	74,190
<u>Expenditure on:</u>							
Charitable activities	7	34,505	-	34,505	23,077	-	23,077
Net gains/(losses) on investments	11	(5,874)	-	(5,874)	2,698	-	2,698
Net (outgoing)/incoming resources before transfers		(14,215)	68,281	54,066	3,811	50,000	53,811
Gross transfers between funds		68,281	(68,281)	-	50,000	(50,000)	-
Net movement in funds		54,066	-	54,066	53,811	-	53,811
Fund balances at 6 April 2022		253,031	-	253,031	199,220	-	199,220
Fund balances at 5 April 2023		307,097	-	307,097	253,031	-	253,031

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

All income and expenditure derives from continuing activities.

NORTHAM TRUST

BALANCE SHEET

AS AT 5 APRIL 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	13		228,828		182,457
Investments	14		137,978		143,852
			<u>366,806</u>		<u>326,309</u>
Current assets					
Cash at bank and in hand		42,781		126,738	
Creditors: amounts falling due within one year	15	(102,490)		(200,016)	
Net current liabilities			(59,709)		(73,278)
Total assets less current liabilities			<u>307,097</u>		<u>253,031</u>
Income funds					
<u>Unrestricted funds</u>					
Total unrestricted funds	17	307,097		253,031	
			<u>307,097</u>		<u>253,031</u>
			<u>307,097</u>		<u>253,031</u>

The financial statements were approved by the Trustees on 26 September 2023

Mrs E J Brown
Trustee

NORTHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2023

1 Accounting policies

Charity information

Northam Trust is an unincorporated charity registered with the Charity Commission for England and Wales.

1.1 Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 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 certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The charity constitutes a public benefit entity as defined by FRS 102. The charity's financial statements present information about it as an individual undertaking.

1.2 Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. At the end of the reporting period, the most significant areas of financial uncertainty affect the carrying value of fixed asset investments held by the charity, the level of investment return and the performance of investment markets, as explained in the notes to the financial statements, and the ongoing cost of maintaining the Trust's properties whilst maintaining residents' contributions at a low level, which is partly mitigated by the reserves policy developed by the trustees. In assessing the appropriateness of the going concern assumption, the trustees have reviewed the financial position of the Trust, considering all reasonably foreseeable potential scenarios and uncertainties in relation to income and expenditure. Based on this information, the trustees have reasonable expectation that the Trust can meet its liabilities as they fall due.

1.3 Charitable funds

Trust capital comprises the value of property and certain investments gifted to the Trust by its founder, adjusted for subsequent additions to and disposals of the original assets, and realised and unrealised gains and losses on investments. Revenue reserves comprise accumulated income from Trust properties and investments, less amounts expended on the objects of the Trust. The funds are classified as unrestricted funds. Unrestricted funds can be spent at the discretion of the trustees in furtherance of any of the Trust's objects. Restricted funds are funds held on specific trusts declared by donors. The specific trusts establish the purpose for which the Trust can use the restricted funds.

NORTHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

1 Accounting policies

(Continued)

1.4 Income

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and the amount can be quantified with reasonable accuracy. Donations are recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. Unit trust income is recognised when receivable and the amount can be measured reliably, which is normally upon notification of the amount paid or payable by the fund manager. Income from residents' contributions towards upkeep is recognised on a straight-line basis over the term of the tenancy agreement.

1.5 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 settlement will be required and the amount of the obligation can be measured reliably. When the charity enters into a contract for the supply of goods or services, expenditure is recognised once the supplier has performed their part of the contract.

Expenditure is accounted for on an accruals basis, including irrecoverable value added tax where appropriate. All expenses, including governance costs, are allocated to the applicable expenditure heading in the statement of financial activities.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost.

Buildings under construction are accounted for at cost, based on valuations for works carried out and other directly attributable costs incurred in the year. They are not depreciated until they are brought into use. On the basis that the donated services cannot be measured reliably, construction costs do not include the value to the charity of project management services provided by a related party.

No depreciation is provided on freehold properties because they are fully maintained on a regular basis. Accordingly the trustees consider the useful economic lives of these assets to be so long and their residual value so high, that their annual and cumulative depreciation is not material.

Subsequent expenditure on properties is capitalised when, in the opinion of the trustees, the performance of the assets is enhanced by the expenditure. Expenditure which maintains the performance of the assets is recognised in the period when incurred.

Individual items of capital expenditure in excess of £800 are accounted for as fixed asset additions.

An item of property is derecognised either on disposal or when no future economic benefits are expected from its use or disposal.

1.7 Fixed asset investments

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

1.8 Impairment of fixed assets

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

1.9 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.

NORTHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

1 Accounting policies

(Continued)

Basic financial assets

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

Basic financial liabilities

Basic financial liabilities, including creditors 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.

Concessionary loans are measured at the amount received.

Derecognition of financial liabilities

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

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Restricted funds	Restricted funds
	2023	2022
	£	£
Donations and gifts	68,281	50,000

NORTHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

3 Donations and legacies (Continued)

Donations and gifts

Exceptional donations - E A Timson Family Trust	53,176	50,000
Exceptional donation - Mrs E J Brown	15,105	-
	<u>68,281</u>	<u>50,000</u>

4 Charitable activities

	Provision of accommodation 2023 £	Provision of accommodation 2022 £
Residents' contributions towards upkeep	<u>21,543</u>	<u>18,058</u>

5 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from listed investments - Unit trust distributions	4,106	3,679
Interest receivable on cash deposits	415	926
	<u>4,521</u>	<u>4,605</u>

6 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Other income	<u>100</u>	<u>1,527</u>

Other income comprises £100 (2022: £300) for compensation received from the Trust's bankers and £Nil (2022: £1,227) leakage allowance received from the Trust's water supplier.

NORTHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

7 Charitable activities

	Provision of accommodation 2023 £	Provision of accommodation 2022 £
Repairs to properties	20,249	6,694
Water rates	1,221	2,374
Council tax	490	309
Insurance	1,694	3,947
Light and heat	977	868
Garden maintenance	4,482	4,078
	<u>29,113</u>	<u>18,270</u>
Share of governance costs (see note 8)	5,392	4,807
	<u>34,505</u>	<u>23,077</u>

8 Support costs

	Support costs £	Governance costs £	2023 Support costs £	Governance costs £	2022 £
Amounts payable to independent examiner	-	2,586	2,586	-	2,190
Sundry expenses	-	306	306	-	217
Administrative support	-	2,500	2,500	-	2,400
	<u>-</u>	<u>5,392</u>	<u>5,392</u>	<u>-</u>	<u>4,807</u>
Analysed between					
Charitable activities	-	5,392	5,392	-	4,807
	<u>-</u>	<u>5,392</u>	<u>5,392</u>	<u>-</u>	<u>4,807</u>

Governance costs are all allocated to the provision of accommodation activity.

Amounts payable to the independent examiner comprise the independent examiner's fee of £426 (2022:£354) and a fee of £2,160 (2022: £1,836) for accountancy and other services.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Trust during the year or the previous year. No trustees were reimbursed expenses during the year (2022: £Nil).

NORTHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

10 Exceptional expenditure

In the year ended 5 April 2023, the Trust incurred exceptional property repair costs of £8,687 for replacement kitchen units.

11 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Unrealised gain on the revaluation of investments	(5,874)	2,698

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13 Tangible fixed assets

	Freehold land and buildings £
Cost	
At 6 April 2022	182,457
Additions	46,371
At 5 April 2023	228,828
Carrying amount	
At 5 April 2023	228,828
At 5 April 2022	182,457

The freehold property is used to provide accommodation for the charity's tenants, who are the beneficiaries of the Trust.

NORTHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

14 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 6 April 2022	96,852	47,000	143,852
Valuation changes	(5,874)	-	(5,874)
At 5 April 2023	90,978	47,000	137,978
Carrying amount			
At 05 April 2023	90,978	47,000	137,978
At 05 April 2022	96,852	47,000	143,852

All investments are carried at their fair value. Listed investments comprise shares in professionally managed collective investment funds. The basis of fair value for listed investments is equivalent to the market value, using the daily prices published by the fund managers. All investment assets are held within the UK.

The significance of investments to the ongoing financial sustainability of the Trust is considered in the financial review section of the Trustees' report.

The main risk to the Trust from investments lies in the combination of uncertain investment markets and volatility in yield. The Trust is in part reliant on income yield to finance its work and the collective investment funds referred to above are primarily invested in UK deposits, UK government bonds, other sterling denominated fixed interest securities and UK stocks.

Liquidity risk is anticipated to be low. The Trust's investments are traded in a market with good liquidity and high trading volumes. The Trust has no material investment holdings in markets subject to exchange controls or trading restrictions. A significant cash balance is held.

The Trust manages these investment risks by operating an investment policy that provides for diversification of holdings that are quoted on recognised stock exchanges and cash. The Trust does not make use of derivatives and similar complex financial instruments.

NORTHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Borrowings	100,000	100,000
Other creditors	-	71,201
Accruals and deferred income	2,490	28,815
	<u>102,490</u>	<u>200,016</u>

During the year ended 5 April 2022 a loan of £100,000 was received from E.A.T. (Holdings) Limited. The loan is interest-free and there are no other specific terms or conditions.

16 Restricted funds

The income funds of the charity included restricted funds comprising the following donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds		
	Incoming resources £	Transfers £	Balance at 6 April 2022 £	Incoming resources £	Transfers £	Balance at 5 April 2023 £
Bungalow rebuild cost fund	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>	<u>68,281</u>	<u>(68,281)</u>	<u>-</u>

The Trust received donations in the year and previous year to cover part of the costs associated with the demolition and rebuilding of two bungalows owned by the Trust.

The costs covered by the donations have been capitalised and added to the cost of freehold land and buildings, which are used for the general purposes of the Trust. The funds have therefore been transferred to unrestricted funds.

NORTHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

17 Unrestricted funds

The funds of the Trust include the following unrestricted funds:

	Balance at 6 April 2021	Movement in funds					Movement in funds					Balance at 5 April 2023
		Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 6 April 2022	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses		
	£	£	£	£	£	£	£	£	£	£	£	
Trust capital	136,835	-	-	-	2,698	139,533	-	-	-	(5,874)	133,659	
Revenue reserve	62,385	24,190	(23,077)	50,000	-	113,498	26,164	(34,505)	68,281	-	173,438	
	199,220	24,190	(23,077)	50,000	2,698	253,031	26,164	(34,505)	68,281	(5,874)	307,097	

Trust capital comprises the value of property and certain investments gifted to the Trust by its founder, adjusted for subsequent additions to and disposals of the original assets, and realised and unrealised gains and losses on investments.

Revenue reserves comprise accumulated income from Trust properties and investments, less amounts expended on the objects of the Trust. The transfer in represents funds released from restricted funds which were spent on freehold property assets, which are used for the general purposes of the Trust.

NORTHAM TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2023

18 Related party transactions

During the year, the Trust received donations of £15,105 from Mrs E J Brown, a trustee, and £53,176 (2022: £50,000) from the E A Timson Family Trust, a charity connected with Mrs E J Brown.

In connection with the project to rebuild two of the bungalows owned by the Trust:

- Perfecta assets Limited, a company in which Mrs E J Brown is materially interested as a director and shareholder, has provided in the year and previous year, free of charge, assistance with the management of the project and has settled certain costs directly attributable to the project.
- On the basis that the value cannot be measured reliably, construction costs classified as additions to tangible fixed assets in the year and in the previous year do not include the value to the charity of the management services provided by Perfecta Assets Limited.
- Additions to fixed assets include £41,466 (2022: £93,990) in respect of costs attributable to the project, which have been paid by Perfecta Assets Limited. Creditors at 5 April 2023 include £Nil (2022: £45,586) owed to Perfecta Assets Limited. £87,052 (2022: £54,660) was repaid to Perfecta Assets Ltd in the year.
- E.A.T (Holdings) Limited, a company in which Mrs E J Brown is materially interested as a director and shareholder, settled certain costs directly attributable to the project.
- Creditors at 5 April 2023 include £Nil (2022: £52,240) in respect of costs attributable to the project, which have been paid by E.A.T (Holdings) Limited. During the year ended 5 April 2023, all costs incurred by E.A.T (Holdings) Limited were reimbursed in full by the Trust.
- Creditors at 5 April 2023 also include a loan of £100,000 (2022: £100,000) received from E.A.T (Holdings) Limited. The loan is interest-free and there are no specific terms or conditions.

There were no other related party transactions that required disclosure during the current or preceding year.