

THE FARTHING TRUST
UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

THE FARTHING TRUST

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THE FARTHING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 5 APRIL 2023

| | |
|----------------------------------|--|
| Trustees | Mrs J Martin Mrs A White Mr J J Martin Ms E Bell |
| Charity registered number | 268066 |
| Principal office | PO Box 276 Newmarket CB8 1GW |
| Accountants | Whitings LLP Greenwood House Greenwood Court Skyliner Way Bury St Edmunds Suffolk IP32 7GY |
| Bankers | Lloyds Bank Plc Minister Place Ely Cambridge CB7 4EN |
| Solicitors | HCR Law 50 - 60 Station Road Cambridge CB1 2JH |

THE FARTHING TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2023

The Trustees present their annual report together with the financial statements of the Charity for the year ended 5 April 2023.

Objectives and activities

a. Policies and objectives

The Charity was formed as a vehicle to meet charitable causes in any area of the world. Although all manner of charitable causes are supported, the main beneficiaries are in the areas of education, health and human rights and the reconciliation/promotion of religious or racial harmony/equality/diversity, as well as the relief of those in need.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Activities undertaken to achieve objectives

The activities for the year are set out in the attached financial statements. The Trustees have reviewed each grant payment during the year in conjunction with the Charity Commission guidance on Public Benefit. Many grant payments are deemed to have been made to institutions or individuals that fulfil more than one charitable purpose.

c. Grant donation making policies

Some of the grants and donations awarded during the year are to individuals and organisations that are known or have become known to the Trustees personally or through their acquaintances. Smaller grants and donations have to be agreed by at least two Trustees, whilst larger payments must be approved by all Trustees. Other applications received are considered carefully by the Trustees, with references being sought where considered necessary in order to verify the nature of the application. There are no financial or geographical restrictions placed on grant applicants.

THE FARTHING TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

Achievements and performance

a. Main achievements of the Charity

During the year, the Charity received donations and gifts of £4,280 (2022 - £26,784) and investment income of £220,718 (2022 - £29,355). Grants payable during the year amounts to £355,256 (2022 - £342,384) with support and governance costs of £9,232 (2022 - £6,321). Outgoings on investment properties was £1,351 (2022 - £1,707) and costs for investment advisers and other charges was £9,814 (2022 - £9,854), leaving net expenditure of £150,655 (2022 - of £304,126) before net losses on investments of £77,229 (2022 - net gains £81,505).

Once again, numerous individual grant payments were made during the year and the nature of these payments is further explained in note 6 to the Financial Statements.

b. Investment policy and performance

The Charity's investments are chosen based on ethical considerations, as well as being invested with the intention of producing a balance of growth and income.

An area of land in Littleport, which the Charity had a 23% interest in, was sold for development during 2020. The Charity will receive £2,408,688 in total, part of which will not be received until 2025 and 2027. The delayed consideration has been included within other debtors (see note 13).

Further potential land sales are being negotiated, which will be reflected in the accounts for 2023/24 or future accounts, depending on the timing of the transactions.

The Trustees undertook a full review of the Charity's portfolio of investment land and property and these accounts reflect any changes to valuations deemed appropriate.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

As at 5 April 2023 the Charity has free reserves (unrestricted funds excluding investments and debtors due outside one year) of £958,284 (2022 - £1,015,335).

The listed investments and investment properties held by the Charity are structured so as to produce income available to be drawn to further the charitable objects. The programme related social investments are structured to further the charitable aims themselves and are not primarily used to produce an income for the Charity.

At the end of the year, the Charity has net assets of £5,058,507 compared with £5,286,391 at the end of the previous year.

THE FARTHING TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

Structure, governance and management

a. Constitution

The Farthing Trust is unincorporated and was formed by a Trust deed, dated 24 June 1974.

The Trustees who served during the year were:

Mrs J Martin
Mrs A White
Mr J J Martin
Ms E Bell

b. Methods of appointment or election of Trustees

The Trustees are recruited and appointed by the Board of Trustees and are not subject to periodical re-election.

c. Organisational structure and decision-making policies

The Trustees set out the general policy of the Charity. The day-to-day affairs of the Charity are run by Mrs A White, with responsibility for financial investments resting with Ms E Bell, investment assets with Mr J Martin and property with Mrs J Martin.

d. Related party relationships

The Trustees are also shareholders in J H Martin & Sons (Littleport) Limited. Related party transactions during the year are detailed in note 19.

THE FARTHING TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

Statement of Trustees' responsibilities

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Mrs A White

Trustee

Date: 15 October 2023

THE FARTHING TRUST

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 5 APRIL 2023

Independent examiner's report to the Trustees of The Farthing Trust ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 5 April 2023.

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

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

Independent examiner's statement

I have completed my examination. I confirm that no material 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 Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts to be reached.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:

Dated: 15 October 2023

Jaimie King ACA

Whitings LLP
Greenwood House
Greenwood Court
Skyliner Way
Bury St Edmunds
Suffolk IP32 7GY

THE FARTHING TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2023

| | Note | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Donations and legacies | 3 | - | 4,280 | 4,280 | 26,784 |
| Investments | 4 | 220,718 | - | 220,718 | 29,355 |
| Total income | | 220,718 | 4,280 | 224,998 | 56,139 |
| Expenditure on: | | | | | |
| Raising funds | 5 | 11,165 | - | 11,165 | 11,561 |
| Charitable activities | 7 | 360,208 | 4,280 | 364,488 | 348,704 |
| Total expenditure | | 371,373 | 4,280 | 375,653 | 360,265 |
| Net expenditure before net (losses)/gains on investments | | (150,655) | - | (150,655) | (304,126) |
| Net (losses)/gains on investments | | (77,229) | - | (77,229) | 81,505 |
| Net movement in funds | | (227,884) | - | (227,884) | (222,621) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 5,286,391 | - | 5,286,391 | 5,509,012 |
| Net movement in funds | | (227,884) | - | (227,884) | (222,621) |
| Total funds carried forward | 15 | 5,058,507 | - | 5,058,507 | 5,286,391 |

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

The notes on pages 9 to 24 form part of these financial statements.

THE FARTHING TRUST

BALANCE SHEET AS AT 5 APRIL 2023

| | Note | 2023 £ | 2022 £ |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Investments | 11 | 1,161,328 | 1,041,084 |
| Social investments | 12 | 173,601 | 204,840 |
| Investment property | 10 | 1,832,500 | 2,092,500 |
| | | <u>3,167,429</u> | <u>3,338,424</u> |
| Current assets | | | |
| Debtors | 13 | 937,367 | 1,403,448 |
| Cash at bank and in hand | | 958,001 | 547,759 |
| | | <u>1,895,368</u> | <u>1,951,207</u> |
| Creditors: amounts falling due within one year | 14 | (4,290) | (3,240) |
| Net current assets | | <u>1,891,078</u> | <u>1,947,967</u> |
| Total assets less current liabilities | | <u>5,058,507</u> | <u>5,286,391</u> |
| Total net assets | | <u><u>5,058,507</u></u> | <u><u>5,286,391</u></u> |
| Charity funds | | | |
| Restricted funds | 15 | - | - |
| Unrestricted funds | 15 | 5,058,507 | 5,286,391 |
| Total funds | | <u><u>5,058,507</u></u> | <u><u>5,286,391</u></u> |

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mrs A White

Trustee

Date: 15 October 2023

The notes on pages 9 to 24 form part of these financial statements.

THE FARTHING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

1. General information

The Farthing Trust is an unincorporated charity, registered in England. The registered address is PO Box 276, Cambridge, CB7 9DE. The charity registration number is 268066.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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) (published October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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 the Charities SORP (FRS 102) published 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 Farthing Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

There were no significant estimates or judgements made by the Trustees in preparing these financial statements other than producing the valuation of investment properties and the Trustees valuation of the unlisted investments.

2.2 Going concern

The Trustees have reviewed the financial position of the Charity and have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on the going concern basis.

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

2. Accounting policies (continued)

2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Rent is included in the Statement of Financial Activities in the period to which it relates. Any outstanding rent at the year end is accrued for within debtors and any rent received in advance is carried forward as deferred income in creditors.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.5 Expenditure

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

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Expenditure on investment advice and investment properties includes amounts payable to MM Wealth as the investment broker as well as legal fees and other costs in respect of the investment properties.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

2. Accounting policies (continued)

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. The notes to the accounts disclose the valuation bases used for investment properties and listed investments.

Programme related investments represent loans made in special circumstances to those in need, which are deemed to be made in furtherance of the Charity's charitable objectives. The terms may vary between the loans, from 0% interest and no fixed repayments to a 10 year term with a fixed interest rate of 2% per annum. The Trustees reserve the right to review and amend the interest rate during the term of the loan.

2.7 Debtors

Debtors are recognised at the settlement amount after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.10 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between fair value at the year end and their carrying value. Realised and unrealised gains and losses are combined in the Statement of Financial Activities.

THE FARTHING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

3. Income from donations and legacies

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations | - | 4,280 | 4,280 | 26,784 |
| <i>Total 2022</i> | <i>22,504</i> | <i>4,280</i> | <i>26,784</i> | |

In the prior year, an unrestricted donation of £18,000 relates to loans written off by trustees. Further information is available in note 19.

4. Investment income

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|------------------------------------|-----------------------------|-----------------------------|
| Rents receivable | 15,917 | 15,917 | 18,517 |
| Dividends receivable | 198,295 | 198,295 | 10,116 |
| Bank, building society and other interest | 6,506 | 6,506 | 722 |
| | 220,718 | 220,718 | 29,355 |
| <i>Total 2022</i> | <i>29,355</i> | <i>29,355</i> | |

THE FARTHING TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

5. Investment management costs

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Outgoings on property investments | 1,351 | 1,351 | 1,707 |
| Investment management fees | 9,814 | 9,814 | 9,854 |
| | <u>11,165</u> | <u>11,165</u> | <u>11,561</u> |
| <i>Total 2022</i> | <u>11,561</u> | <u>11,561</u> | |

THE FARTHING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

6. Analysis of grants

| | Grants to Institutions 2023 £ | Total funds 2023 £ | <i>Total funds 2022 £</i> |
|----------------|--|---------------------------------------|---------------------------------------|
| Grants payable | 355,256 | 355,256 | 342,384 |

The Charity has made the following grants to institutions during the year:

| | 2023 £ | <i>2022 £</i> |
|--|-------------------|-------------------|
| Grants payable | | |
| Need - UK Individual | 46,756 | 45,116 |
| Need - UK Organisation | 67,000 | 51,775 |
| Need - Local | 8,000 | 7,000 |
| Need - International Individual | 4,800 | 4,800 |
| Need - International Organisation | 66,000 | 77,500 |
| Education - International Organisation | 19,000 | 4,000 |
| Education - UK Organisation | 2,000 | 2,800 |
| Religion - International Individual | 4,000 | 4,000 |
| Religion - Local | 1,200 | 1,200 |
| Religion - UK Organisation | 10,280 | 12,019 |
| Emergency Services - UK Organisation | 500 | 500 |
| Human Rights - UK Organisation | 7,000 | 6,000 |
| Health - International Organisation | 9,000 | 13,000 |
| Health - UK Organisation | - | 1,000 |
| Community Development - Local | 15,000 | 9,500 |
| Community Development - UK Organisation | 29,000 | 30,500 |
| Community Development - International Organisation | 63,720 | 71,674 |
| Environment - Organisation UK | 2,000 | - |
| | 355,256 | 342,384 |

THE FARTHING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

7. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total 2023 £ | Total 2022 £ |
|-----------------------|------------------------------------|----------------------------------|--------------------|--------------------|
| Charitable activities | 360,208 | 4,280 | 364,488 | 348,704 |
| <i>Total 2022</i> | 344,685 | 4,019 | 348,704 | |

8. Analysis of expenditure by activities

| | Grant funding of activities (note 6) 2023 £ | Support costs 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-----------------------|--|-------------------------------|-----------------------------|-----------------------------|
| Charitable activities | 355,256 | 9,232 | 364,488 | 348,705 |
| <i>Total 2022</i> | 342,384 | 6,321 | 348,705 | |

Analysis of support costs

| | Total funds 2023 £ | Total funds 2022 £ |
|--|-----------------------------|-----------------------------|
| Sundry expenditure | 378 | 380 |
| Travel and secretarial expenses | - | 45 |
| Accountancy fees (governance) | 2,740 | 2,770 |
| Independent Examiner's fees (governance) | 500 | 500 |
| Legal fees | 5,614 | 2,626 |
| | 9,232 | 6,321 |

THE FARTHING TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023**

9. Independent examiner's remuneration

| | 2023 | 2022 |
|---|--------------------------|--------------------------|
| | £ | £ |
| Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts | 500 | 500 |
| Fees payable to the Charity's independent examiner in respect of: All other services not included above | 2,740 | 2,770 |
| | <u><u> </u></u> | <u><u> </u></u> |

10. Investment property

| | Freehold investment properties £ |
|------------------|---|
| Valuation | |
| At 6 April 2022 | 2,092,500 |
| Disposals | (260,000) |
| | <u><u> </u></u> |
| At 5 April 2023 | 1,832,500 |
| | <u><u> </u></u> |

The market value is based on the Trustees' best estimate of their respective values in the absence of professional valuations, or where appropriate, may be based on information from professional valuations relating to parcels of land within which the Charity has a partial interest. When properties are valued by estate agents during the year, these valuations have been used in the accounts.

THE FARTHING TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

11. Fixed asset investments

| | Listed investments £ | Unlisted UK investments (associated undertaking) £ | Cash held within portfolio £ | Total £ |
|--|----------------------------|--|---------------------------------------|------------------|
| Cost or valuation | | | | |
| At 6 April 2022 | 708,864 | 300,000 | 32,219 | 1,041,083 |
| Additions | 183,957 | 185,444 | - | 369,401 |
| Disposals / movement in cash at broker | (217,908) | - | (4,004) | (221,912) |
| Revaluations | (27,244) | - | - | (27,244) |
| At 5 April 2023 | <u>647,669</u> | <u>485,444</u> | <u>28,215</u> | <u>1,161,328</u> |
| Net book value | | | | |
| At 5 April 2023 | <u>647,669</u> | <u>485,444</u> | <u>28,215</u> | <u>1,161,328</u> |
| At 5 April 2022 | <u>708,864</u> | <u>300,000</u> | <u>32,219</u> | <u>1,041,083</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

11. Fixed asset investments (continued)

All the fixed asset investments are held in the UK.

The listed UK investments are all managed funds and are listed on the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). The Charity engages with investment advisers to assist with their investment policy to produce a balance on income and growth. The Charity has obtained investment advice in 2022/2023 from M M Wealth Ltd.

The brought forward investment in an unlisted UK company was gifted to the Charity some years ago and the original acquisition value is unknown. It represents 75,000 ordinary £1 shares in J H Martin & Sons (Littleport) Ltd, which equates to 25.06% of the issued share capital. The shares were last valued by J H Martin & Sons (Littleport) Ltd in 2013 and this valuation is reflected in these accounts. No new valuation has been undertaken recently. The company's accounts to 31 December 2022 disclosed closing net assets of £5,788,443 (2021 - £6,786,315).

During the year, the Charity received 25.06% ownership in The Martin Grange Lane Partnership via a dividend in specie from J H Martin & Sons (Littleport) Ltd. The value of the partnership has been included based on the value of the assets it holds, which were valued by Brown & Co in 2022.

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report. The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. The Charity is reliant on investment income to finance its work and this leads to a greater exposure to risk than holding funds in cash.

The construction of any investment portfolio and its continued maintenance is a very specialist and complex area, which is why the Trustees use professional advisers to assist with this aspect. Asset allocation is the practice of diversifying assets between different classes and is recognised as the most important part of the process of building a portfolio.

The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions. The Charity operates an investment policy that provides for a high degree of diversification of holdings within investment asset classes, including listed and unlisted investments as investment property. The Charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return.

THE FARTHING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

12. Social investments

| | Programme related investments £ | Total £ |
|--------------------------|--|----------------|
| Cost or valuation | | |
| At 6 April 2022 | 204,840 | 204,840 |
| Interest charges | 519 | 519 |
| Loan repayments | (31,758) | (31,758) |
| | <u>173,601</u> | <u>173,601</u> |
| Net book value | | |
| At 5 April 2023 | <u>173,601</u> | <u>173,601</u> |
| At 5 April 2022 | <u>204,840</u> | <u>204,840</u> |

13. Debtors

| | 2023 £ | 2022 £ |
|-------------------------------------|----------------|------------------|
| Due after more than one year | | |
| Other debtors | 932,794 | 932,632 |
| Due within one year | | |
| Other debtors | - | 466,316 |
| Tax recoverable | 4,573 | 4,500 |
| | <u>937,367</u> | <u>1,403,448</u> |

Other debtors represent deferred consideration payments relating to the sale of land partially owned by the Charity. The remaining consideration is payable in two tranches in 2025 and 2027.

14. Creditors: Amounts falling due within one year

| | 2023 £ | 2022 £ |
|------------------------------|--------------|--------------|
| Accruals and deferred income | <u>4,290</u> | <u>3,240</u> |

THE FARTHING TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

15. Statement of funds

Statement of funds - current year

| | Balance at 6 April 2022 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 5 April 2023 £ |
|-------------------------------|---------------------------------|----------------|------------------|--------------------------|-------------------------|---------------------------------|
| Unrestricted funds | | | | | | |
| General Funds | 5,286,391 | 220,718 | (371,373) | - | (77,229) | 5,058,507 |
| Restricted funds | | | | | | |
| Norwich Reformed Church | - | 4,280 | (4,280) | - | - | - |
| Total of funds | 5,286,391 | 224,998 | (375,653) | - | (77,229) | 5,058,507 |

THE FARTHING TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

15. Statement of funds (continued)

Statement of funds - prior year

| | <i>Balance at 6 April 2021 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 5 April 2022 £</i> |
|---------------------------|--|---------------------|--------------------------|-----------------------------------|----------------------------------|--|
| Unrestricted funds | | | | | | |
| General Funds | 5,509,012 | 51,859 | (356,246) | 261 | 81,505 | 5,286,391 |
| Restricted funds | | | | | | |
| Norwich Reformed Church | - | 4,280 | (4,019) | (261) | - | - |
| Total of funds | <u>5,509,012</u> | <u>56,139</u> | <u>(360,265)</u> | <u>-</u> | <u>81,505</u> | <u>5,286,391</u> |

The restricted funds represent monies collected specifically for and paid over to the NRC.

THE FARTHING TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023**

16. Summary of funds

Summary of funds - current year

| | Balance at 6 April 2022 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 5 April 2023 £ |
|------------------|---------------------------------|----------------|------------------|-------------------------|---------------------------------|
| General funds | 5,286,391 | 220,718 | (371,373) | (77,229) | 5,058,507 |
| Restricted funds | - | 4,280 | (4,280) | - | - |
| | <u>5,286,391</u> | <u>224,998</u> | <u>(375,653)</u> | <u>(77,229)</u> | <u>5,058,507</u> |

Summary of funds - prior year

| | Balance at 1 April 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 5 April 2022 £ |
|------------------|---------------------------------|---------------|------------------|--------------------------|-------------------------|---------------------------------|
| General funds | 5,509,012 | 51,859 | (356,246) | 261 | 81,505 | 5,286,391 |
| Restricted funds | - | 4,280 | (4,019) | (261) | - | - |
| | <u>5,509,012</u> | <u>56,139</u> | <u>(360,265)</u> | <u>-</u> | <u>81,505</u> | <u>5,286,391</u> |

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2023 £ | Total funds 2023 £ |
|--------------------------------------|------------------------------------|-----------------------------|
| Fixed asset investments | 1,161,328 | 1,161,328 |
| Investment property | 1,832,500 | 1,832,500 |
| Social investments | 173,600 | 173,600 |
| Debtors due after more than one year | 932,794 | 932,794 |
| Current assets | 962,575 | 962,575 |
| Creditors due within one year | (4,290) | (4,290) |
| Total | <u>5,058,507</u> | <u>5,058,507</u> |

THE FARTHING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | <i>Unrestricted funds 2022 £</i> | <i>Total funds 2022 £</i> |
|--------------------------------------|--|---------------------------------------|
| Fixed asset investments | 1,041,084 | 1,041,084 |
| Investment property | 2,092,500 | 2,092,500 |
| Social investments | 204,840 | 204,840 |
| Debtors due after more than one year | 932,632 | 932,632 |
| Current assets | 1,018,575 | 1,018,575 |
| Creditors due within one year | (3,240) | (3,240) |
| Total | 5,286,391 | 5,286,391 |

18. Contingent liabilities

The Charity has a possible obligation to pay grants within the following categories:

Local charities - £3,000 per annum potentially for an indefinite period.

This possible obligation does not have sufficient certainty for the Trustees to include them as a commitment in these accounts.

THE FARTHING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

19. Related party transactions

The Charity considers its key management personnel to be the Trustees. All Trustees give their time and expertise freely with no remuneration or other benefit in kind, either directly or indirectly from the Charity. The following related party transactions arose during the year:

- a) Trustees' expenses - During the year, £nil was paid to one Trustee (2022 - £45) in connection with secretarial and travel expenses. The Trustees have waived expenses relating to postage, which are minimal in monetary terms.
- b) The Trustees are shareholders in J H Martin and Sons (Littleport) Limited. Mrs J Martin, Mr J Martin and Mrs E Bell are also directors of J H Martin & Sons (Littleport) Limited. During the year the Charity received a dividend in specie from the company of £185,444 (2022 - £nil), which is recognised in fixed asset investments and further details are disclosed in note 11.
- c) One property in which the Charity holds a minority equitable interest is let to J H Martin and Sons (Littleport) Limited for the sum of £4,000 per annum.
- d) In the prior year, £1 was paid to J H Martin & Sons (Littleport) Ltd for rent of the Highbridge site.
- e) In 2021 Mrs J Martin and Mr R White (Husband of Mrs A White, trustee) made loans to the Charity totalling £18,000. These loans were interest free and had no repayment date. During the prior year, the loans were gifted to the charity. They have been included in donations in the prior year through the Statement of Financial Activities.
- f) The Charity holds a 7.32% interest in the Waterbeach Trust. Some Trustees of the Charity are also beneficiaries of the Waterbeach Trust. Included in these financial statements is the value of this Charity's share of the land held in Trust of £1,392,500 and is included in investment property. The Charity also receives an annual rent of £2,477 which is included in investment income.