

Charity registration number 278692

THE NOTGROVE TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

THE NOTGROVE TRUST

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THE NOTGROVE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs S E Acland Mr H A Acland Mrs D F Acland Mrs L H Morris Mr N H Rowbotham
Charity number	278692
Principal office	The Manor Notgrove Nr Cheltenham Gloucestershire GL54 3BT
Independent examiner	Kerry Clayton TEP FMAAT MCSI Rathbones Trust Company Limited Port of Liverpool Building Liverpool
Bankers	C Hoare & Co 37 Fleet Street London EC4P 4DQ
Investment advisors	Whitley Asset Management Limited 116 Princedale Road London W11 4NH

THE NOTGROVE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The Trustees present their annual report and financial statements for the year ended 30 September 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 of the accounts and comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

The Notgrove Trust was created by Deed dated 1 September 1979. The Trustees shall hold the capital and the income of the Trust Fund upon trust to apply income and, as far as may be necessary, the capital for or towards such charitable purposes and to make donations to such charitable bodies or institutions at such times and in such manner as the Trustees may, in their absolute discretion, think fit. The Trustees favour charities based in Gloucestershire.

Grant Making Policies

The Trustees meet annually to review applications for funding. Only successful applicants are notified of the Trustees' decision. Certain charities are supported annually, although no commitment is given. The Trustees benefit charitable institutions and organisations and make payments to individuals in accordance with Clause 3 (2) of the Declaration of Trust.

During the year under review, the Trustees resolved to make 15 donations totalling £68,750 (donations totalling £239,012 in 2021), as detailed in note 20 of these accounts.

Achievements and performance

During the year the Trustees have supported a number of charitable organisations, details of the organisations supported are shown within note 20 to the financial statements.

Public benefit

The Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

Financial review

Total incoming resources were £151,870 (£169,273 in 2021), with £70,842 (£241,218 in 2021) being committed to charitable activities of which £2,092 (£2,206 in 2021) relates to support and governance costs. Costs of fundraising amounted to £98,201 (£57,111 in 2021). There was an unrealised (loss) of £1,618,173 (gain of £851,500 in 2021) on investments and in addition a realised (loss) of £802,281 (gain of £866,350 in 2021) resulting in net outflow of funds of £2,446,743 (inflow of £1,588,794 in 2021).

Reserves

Normally, the Trustees have a balanced investment policy and therefore only distribute income on an annual basis and retain capital for the maintenance and growth of the fund.

As at 30 September 2022 the balance held as unrestricted reserves was £8,365,864.

THE NOTGROVE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

Investment policy and performance - Whitley Asset Management

The investment objective of the Trust is to achieve long term capital growth in real terms, and to provide a distribution to be used to promote and support charitable purposes. We allocate funding on a total return (rather than income) basis. The long-term investment objective is an average annual total return of UK CPI + 4% measured on a rolling 3 years. The Trustees aim to distribute £200,000 of the funds on an annual basis.

Responsible investment underpins our investment strategy and is a key factor in the selection of our investment manager. We work with our investment manager to take into consideration environmental, social and governance (ESG) issues. We have a policy of not investing directly in tobacco companies, fossil fuel extractors, or companies involved in weaponry, gambling, or high interest lending.

Over the 12 month period to 30th September 2022 the portfolio has fallen -21.9% in sterling terms (net of all fees and expenses). Over the same period the MSCI PIMFA Growth Index TR, which we use as a benchmark for the portfolio, has fallen -5.2%.

The 12-month period captures a period of sharp underperformance and coincides with a change in expectations for inflation and interest rates which negatively impacted the portfolio. To best meet the Charity's objective for real growth in capital, the investment portfolio is predominantly invested in equities with the remainder in cash and fixed income to provide short-term liquidity for grant-making requirements. However, there can be wide short-term fluctuations in value of the portfolio both in absolute and relative terms.

The underperformance relative to the benchmark over the 12-month period is due to what the investment portfolio owns – a substantial overweight in US equities and a bias to growth sectors such as information technology; consumer discretionary; healthcare – and what the portfolio does not own which is a very low exposure to commodities including oil & gas. The latter was inflated by oil price disruption over the period. The Trustees are committed to long-term investment and expect and hope that returns from the portfolio will improve as the underlying company earnings improve.

Investment market risk: The value of the investments will fluctuate with markets. The Trustees can sustain the distribution level despite short term fluctuations in asset prices and there is a proportion of the investments held in cash and short-dated securities to use for funding.

Investment interest rate risk: Interest rates may rise from the current low levels. The debate continues about how embedded inflation has become and to what extent higher prices will lead to higher interest rates. What is clear is that inflation is damaging for real returns and that cash and low yielding bonds do not provide a hedge. The majority of portfolio investments are better able to withstand higher inflation because the companies and sectors which are favoured, can put price increases through and typically have higher gross margins where input costs are not as significant as more commodity led businesses. The impact of rising interest rates on equity market valuations is negative and it is likely that a lower valuation is attributed to stocks against this backdrop. Therefore the main portfolio defence is to invest in quality companies that can sustain earnings growth.

Risks

Above and beyond the inherent market risk to which the Charitable Trust is exposed, the portfolio is well diversified, both on a stock and sectorial basis. The Trust invests predominantly in US equities where such entities are, on the whole, regarded to be trading on reasonable valuations, given their future prospects.

The Trustees have identified major risks and believe that appropriate action has been taken to mitigate these risks. The Trustees will continue to keep the adequacy of the systems in place under review.

Plans for the future

The Trustees do not envisage any significant changes to its aims and objectives and they intend to continue supporting the various causes to a similar level.

THE NOTGROVE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

Structure, governance and management

The Trustees who served during the year and were also in office at the date of signing the financial statements were:

Mrs S E Acland
Mr H A Acland
Mrs D F Acland
Mrs L H Morris
Mr N H Rowbotham

The Trust's other advisors are noted on page 1.

The Trustees meet as often as is required, but at least once each year.

Appointment of new Trustees

The power of appointing new and/or additional Trustees is vested with Mrs S E Acland.

Trustee training

The Trustees are aware of the requirement for relevant induction and training of any new Trustee. The Trustees correspond and meet with their professional advisors regularly and the advisors are specifically instructed to appraise the Trustees of relevant technical issues as they arise.

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 and 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 Trust and of the incoming resources and application of resources of the Trust for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Mrs D F Acland

Trustee

Dated: 20 July 2023

THE NOTGROVE TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE NOTGROVE TRUST

Independent examiner's report to the Trustees of the Notgrove Charitable Trust - charity number 278692

I report on my examination of the above charity ("The Trust") for the year ended 30 September 2022 which are set out on pages 6 to 20.

Responsibilities of the Trustees and Independent Examiner

As the charity's trustees, you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act'). You consider that an audit is not required under s144 of that Act and that an independent examination is needed.

I report in respect of my examination of the Trust's financial statements carried out under section 145 of the Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act. It is my responsibility to state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair' view. The report is limited to those matters set out in the statement below

Independent Examiner's statement

I am a member of an approved body subject to the provisions of the Revised Ethical Standard 2019 issued by the Financial Reporting Council (FRC). Rathbones Trust Company Limited has provided bookkeeping services in accordance with the terms of engagement signed by the Trustees and I do not report to the bookkeeper in any respect. I give due consideration to the FRC's Revised Ethical Standard 2019 at all times.

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:

- (i) accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- (ii) the financial statements do not accord with those records; or
- (iii) 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.

.....
Kerry Clayton TEP FMAAT MCSI
Rathbones Trust Company Limited
Port of Liverpool Building
Pier Head
Liverpool

Dated: 21 July 2023

THE NOTGROVE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2022

		Unrestricted 2022 £	Unrestricted 2021 £
	Notes		
Income			
Investments	3	150,259	169,061
Other income	4	1,611	212
Total income		<u>151,870</u>	<u>169,273</u>
Expenditure			
Raising funds	5	<u>107,317</u>	<u>57,111</u>
Charitable activities	6	<u>70,842</u>	<u>241,218</u>
Total resources expended		<u>178,159</u>	<u>298,329</u>
Net (expenditure) before investment (losses) / gains		(26,289)	(129,056)
Net (losses) / gains on investments	12	<u>(2,420,454)</u>	<u>1,717,850</u>
Net movement in funds		<u>(2,446,743)</u>	<u>1,588,794</u>
Fund balances at 1 October 2021		<u>10,812,607</u>	<u>9,223,813</u>
Fund balances at 30 September 2022		<u><u>8,365,864</u></u>	<u><u>10,812,607</u></u>

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

All income and expenditure derive from continuing activities.

THE NOTGROVE TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investments	13		8,114,916		10,834,033
Current assets					
Debtors	14	460		-	
Cash at bank and in hand		333,075		99,222	
		<u>333,535</u>		<u>99,222</u>	
Creditors: amounts falling due within one year	15	<u>(77,587)</u>		<u>(84,648)</u>	
Net current assets			255,948		14,574
Total assets less current liabilities			8,370,864		10,848,607
Creditors: amounts falling due after more than one year	16		(5,000)		(36,000)
Net assets			<u>8,365,864</u>		<u>10,812,607</u>
Income funds					
Unrestricted funds			8,365,864		10,812,607
			<u>8,365,864</u>		<u>10,812,607</u>

The notes on pages 9 to 14 form part of these financial statements.

The financial statements were approved by the board of Trustees and authorised for issue on 20 July 2023 and are signed on its behalf by:

Mrs D F Acland
Trustee

THE NOTGROVE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	17		(218,586)		(185,713)
Investing activities					
Purchase of investments		(1,760,837)		(11,733,177)	
Proceeds on disposal of investments		1,649,497		12,288,998	
Dividends and interest received from investments		153,776		171,639	
Net cash generated from investing activities			42,436		727,460
Net (decrease)/increase in cash and cash equivalents			(176,150)		541,747
Cash and cash equivalents at beginning of year			978,790		437,043
Cash and cash equivalents at end of year	19		802,640		978,790

THE NOTGROVE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

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 (FRS 102) (Second Edition)' and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition)' rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

1.2 Going concern

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

1.4 Incoming resources

Investment income is accounted for on an accruals basis in the period to which it relates.

1.5 Debtors

Debtors are receivable at their expected settlement amount.

1.6 Cash and cash equivalents

Cash at bank and cash 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.

1.7 Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

1.8 Resources expended

Management and administration costs comprise those costs incurred in running the charity. They have been apportioned on the basis of time spent between charitable activities, cost of raising funds and governance costs.

Governance costs consist of those costs associated with the overall running of the charity and meeting statutory and regulatory requirements.

Grants are included in the financial statements when approved by the Trustees and notified to recipients. The value of committed grants unpaid at the year end is accrued. Grants offered that are subject to conditions that have not been met at the year end are noted as a commitment but not accrued as expenditure.

THE NOTGROVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.9 Financial instruments

Basic financial assets, which include trade and other receivables 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.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in net income/(expenditure), except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

The Trust does not acquire put options, derivatives or other complex financial instruments.

1.10 Investments

Fixed assets investments represent listed investments which are stated at market valuation, where market value represents the mid market value on the last trading day before the year end. Any unrealised or realised gains arising from investments are accounted for in the Statement of Financial Activities.

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 Investments

	2022 £	2021 £
Income from UK listed investments	136,189	131,048
REIT income	-	3,780
UK fixed interest		2,475
Foreign income	14,070	34,124
Accrued interest	-	(2,366)
	<u>150,259</u>	<u>169,061</u>

4 Other income

	2022 £	2021 £
Bank interest	<u>1,611</u>	<u>212</u>

THE NOTGROVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

5 Raising funds

	2022 £	2021 £
Investment custody fees	9,116	-
Investment management fees	98,201	57,111
	<u>107,317</u>	<u>57,111</u>

6 Charitable activities

	2022 £	2021 £
Grant funding of activities (see note 7)	68,750	239,012
Share of governance costs (see note 8)	2,092	2,206
	<u>70,842</u>	<u>241,218</u>

7 Grants payable

	2022 £	2021 £
Grants to institutions:		
Local charities and hospices	20,750	48,912
The arts & museums	12,500	10,500
Youth & education	13,000	66,600
Other national and general payments	22,500	41,000
Other	-	72,000
	<u>68,750</u>	<u>239,012</u>

8 Support and governance costs

	Support costs £	Governance costs £	2022 £	2021 £	Basis of allocation
Independent examiners fee	-	1,722	1,722	1,794	Governance
Bank charges	-	370	370	412	Governance
	<u>-</u>	<u>2,092</u>	<u>2,092</u>	<u>2,206</u>	

THE NOTGROVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

9 Trustees remuneration and benefits, related parties and conflicts on interest

None of the Trustees (or any persons connected with them) received any remuneration, benefits or reimbursed expenses from the Trust during the year, or the previous year.

None of the Trustees (or any persons connected with them) had any conflicts of interest.

None of the Trustees (or any persons connected with them) had any related party transactions to disclose.

No further disclosures are required for the year.

10 Employees

There were no employees during the year, or in the previous year.

11 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.

12 Net (losses) / gains on investments

	2022 £	2021 £
Unrealised (loss) / gain	(1,618,173)	851,500
Realised (loss) / gain on sale of investments	(802,281)	866,350
	<u>(2,420,454)</u>	<u>1,717,850</u>

13 Fixed asset investments

	Listed investments £	Cash in portfolio £	Total £
Cost or valuation			
At 30 September 2021	9,954,465	879,568	10,834,033
Additions	1,760,837	-	1,760,837
Realised (loss)	(1,618,173)	-	(1,618,173)
Unrealised (loss)	(802,281)	-	(802,281)
Cash available to invest	-	(410,003)	(410,003)
Disposals	(1,649,497)	-	(1,649,497)
At 30 September 2022	<u>7,645,351</u>	<u>469,565</u>	<u>8,114,916</u>

	2022 £	2021 £
Listed investments	7,645,351	9,954,465
Cash in investment portfolio	469,565	879,568
	<u>8,114,916</u>	<u>10,834,033</u>

THE NOTGROVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

14 Debtors: amounts falling due within one year

	2022 £	2021 £
Other debtors	460	-

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Independent examiner's fee	1,800	3,354
Investment management fee	24,787	27,794
Donations payable	51,000	53,500
	<u>77,587</u>	<u>84,648</u>

16 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Donations payable	5,000	36,000

17 Cash generated from operations

	2022 £	2021 £
(Deficit)/surplus for the year	(2,446,743)	1,588,794
Adjustments for:		
Investment income recognised in statement of financial activities	(154,236)	(169,273)
Loss/(gain) on disposal of investments	802,281	(866,350)
Fair value gains and losses on investments	1,618,173	(851,500)
Movements in working capital:		
(Decrease)/increase in creditors	(38,061)	112,616
Cash absorbed by operations	<u>(218,586)</u>	<u>(185,713)</u>

18 Analysis of changes in net funds

The Trust had no debt during the year.

THE NOTGROVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

19 Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	333,075	99,222
Cash available to invest	469,565	879,568
	<u>802,640</u>	<u>978,790</u>

20 Donations made to institutions during the year

	£	£
3 Choirs	-	5,000
Allsorts	-	1,000
Amberley Shop	-	2,000
Barn Theatre	10,000	-
Barton Camp	-	4,000
Brockworth House Residents Fund	-	10,000
Cheltenham Festivals	-	60,000
Cirencester Housing for Young People (C H Y P)	-	3,000
City Farms for City Children	5,000	-
Community Awareness	3,000	-
Coram Life Education Gloucester	-	3,000
Conservation Board	-	800
Donkathon	-	2,500
Family Space	4,000	-
FareShare South West	3,000	-
Friends of Cotswold	-	10,000
GL11 Community Hub	3,000	5,000
Great Western Air Ambulance	15,000	6,000
Home Start Cotswold	-	10,000
IT Schools Africa	2,500	5,000
James Hopkins Trust	-	3,112
Listening Post Gloucester	2,500	-
Longfield	-	5,000
Lumbs Foundation	-	24,000
Middle of the Hill Group	250	-
Mulberry Bush School	-	5,000
National Star	-	3,000
Read Easy UK	-	24,000
Read for Good	5,000	3,000
Smallpeice Trust	-	6,600
The Gloucestershire Society	-	2,500
The Guiting Music Festival	2,500	2,500
The Wheels Project	5,000	-
Wootton Drama School	-	3,000
Young Gloucestershire	5,000	30,000
YMCA	3,000	-
	<u>68,750</u>	<u>239,012</u>