

**MARKET HARBOROUGH AND THE BOWDENS CHARITY**  
**(A Charitable Incorporated Organisation)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2019**

**Charity Registered Number 1157787**

# **MARKET HARBOROUGH AND THE BOWDENS CHARITY**

## **REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2019**

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# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## REPORT OF THE TRUSTEES

### FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees present their report along with the financial statements of Market Harborough and The Bowdens Charity, ("the Charity") for the year ended 31 December 2019. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Constitution, 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) issued in October 2019 ("SORP (FRS 102)").

## REFERENCE AND ADMINISTRATIVE DETAILS

<b>Charity Name</b>	Market Harborough and The Bowdens Charity	
<b>Charity Registration Number</b>	1157787	
<b>Status:</b>	Charitable Incorporated Organisation	
<b>Principal Office Address</b>	10, Fairfield Road, Market Harborough, Leicestershire, LE16 9QQ	
<b>Trustees</b>	The members of the Board of Trustees at the date of this report are as follows:  <b>Appointed Trustees:</b> Mrs J Adkins Mrs J Balme Mr G Buxton Mr J Feavyour QPM Mr S Harris Mr G R Hartopp Dr S Hill Mrs J Hefford Dr J Jones Prof. W Jones Mrs L Kvatch Mr G Kellie Mrs K Merryweather Mrs L Rhodes Mr A F Trotter (Chair) Mrs J A Williams <b>Nominated:</b> Mr N Proudfoot	
<b>Steward</b>	Mrs S Robinson	Resigned 31 March 2019
<b>Charity Secretary</b>	Mrs L Headey	Appointed 25 March 2019
<b>Accountants and Auditors</b>	Edward Thomas Peirson & Sons, 21, The Point, Rockingham Road, Market Harborough, Leicestershire, LE16 7NU	
<b>Solicitors</b>	Stone King LLP, 13 Queen Square, Bath, BA1 2HJ BHW Solicitors, 1 Smith Way, Leicester LE19 1SX	
<b>Bank</b>	HSBC plc, 15 High Street, Market Harborough, Leicestershire, LE16 7NN	
<b>Investment Managers</b>	Cave & Sons Limited, Lockgates House, Rushmills, Northampton NN4 7YB Cazenove Capital Management Limited, 12 Moorgate, London, EC2R 6DA CCLA Investment Management Limited, 80 Cheapside, London, EC2V 6DZ	
<b>Land Agents</b>	Fisher German LLP, 40 High Street, Market Harborough, Leicestershire, LE16 7NX	

# **MARKET HARBOROUGH AND THE BOWDENS CHARITY**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019**

### **OBJECTIVES AND ACTIVITIES**

#### **Objectives**

The Charity's area of benefit is the Urban District of Market Harborough as it existed prior to the reform of local government on 1 April 1974. This area includes the town of Market Harborough and the villages of Great Bowden and Little Bowden.

In summary, the objects of the Charity are:

1. Such charitable purposes for the general benefit of the inhabitants of the area of benefit as the Trustees think fit for which provision is not made out of rates, taxes or other public funds;
2. The relief either generally or individually of residents in the area of benefit who are in conditions of need, hardship or distress, but not directly in relief of rates, taxes or other public funds. This is referred to in the objects as "Relief in Need". In exceptional circumstances the Trustees may grant relief to individuals otherwise eligible who are resident immediately outside the area of benefit; and
3. The maintenance and repair of the fabric of the Parish Church of the ecclesiastical parish of St. Peter and St. Paul, Great Bowden. The amount applied in this respect is restricted to 20% of the Charity's income in any three-year period.

Before applying the income of the Charity in support of these objects the Trustees must first defray the costs of maintaining the Charity's property (including that held on trust by the Charity) and the costs, charges and expenses of administering the Charity.

#### **Activities**

The Charity's principal activity, which is undertaken in relation to these objects, is the payment of grants to institutions to be applied for the public benefit within the defined area, towards the improvement of: the community, social welfare and environment; the arts; education; amateur sports; and the maintenance of local heritage.

A small, but significant proportion of the Charity's resources is applied in meeting social welfare, "relief in need", claims from individuals largely referred to the Charity by Social Services and similar bodies. Additionally, the Charity has an educational grant making activity to support the further education of financially disadvantaged members of the community by assistance with the cost of apprenticeships, vocational training and fees and living expenses associated with a course of undergraduate study.

Grants are also awarded, in consultation with the Parochial Church Council, as and when required towards the maintenance and repair of the fabric of the Parish Church of the ecclesiastical parish of St. Peter and St. Paul, Great Bowden.

Outside of direct grant provision, the Charity has fourteen fully serviced Almshouses, which are let at a below market rent to means tested tenants aged 60 and over. It also maintains two allotment sites in the town of Market Harborough in which plots are available to residents of the defined area for a modest charge and, in conjunction with the Leicestershire and Rutland Wildlife Trust, protects and enhances the ecological value of a Site of Special Scientific Interest on land that is held within its investment property portfolio.

Finally, the Charity has since 2005 owned a 17<sup>th</sup> Century building known as the Old Grammar School which is a listed landmark building in the town of Market Harborough of significant historical, cultural and architectural importance. The Charity completed a major programme of renovation and refurbishment of the building in 2014, which was its 400<sup>th</sup> anniversary. The building is available for public hire, by local groups and inhabitants of the area of benefit, on an hourly basis at agreed rates which contribute towards the annual running costs. Prior to July 2018 the building was let to the Market Harborough Parochial Church Council ("PCC") for a nominal annual rent and they managed the subletting of the facility.

#### **Grant Making Policy**

The Charity has devised standard application forms for funding which, together with guidance notes, can be downloaded from the Charity's website [www.mhbcharity.co.uk](http://www.mhbcharity.co.uk). All applications are subjected to a validation process undertaken by the Charity staff. This process will, amongst other things: ensure compliance with the Charity Scheme, including geographical limitations; confirm that all necessary and relevant supporting information is available; and check the probity of the applicants and their history of previous applications.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

### OBJECTIVES AND ACTIVITIES (continued)

The process will also identify the benefit or benefits that the applicants intend to achieve and ensure that the recipients of such benefits are the public or an appropriate section of the public.

Valid applications are placed on the agenda for the next meeting of either the Relief in Need or the Appeals committee, as appropriate. The committees are entitled to make grants of up to £5,000 and £20,000, respectively, without the need to seek the approval of the Board and providing resources permit. There is also a fast track procedure for applications in need of early consideration on the grounds of urgency.

Where large or complex applications for funding are received (referred to as “projects”) and are considered to be potentially worthy of support, a contact group of no less than three Trustees is formed to review the proposed project. The contact group will meet with the applicants, before the application is considered, and undertake a detailed appraisal of the project, following which a recommendation will be made to the Appeals committee. Such projects as are accepted by the Appeals committee are presented to a full meeting of Trustees for final approval. Under normal circumstance the Charity will not fund over 50% of the total cost of the project.

As an ongoing process, the Charity receives applications from the Great Bowden PCC for funding of projects to maintain and repair the fabric of the Church. The applications are reviewed in accordance with the procedures outlined above.

Where a project receives support from the Charity then the contact group will monitor its progress on a continuous basis and will, some time after completion, undertake an audit of the project. The objective of the audit is, amongst other things, to check that the level of public benefit claimed in the original application has been provided. Where it is perceived that the public benefit criteria have not been adequately met, the auditing Trustees will discuss details of the shortfall with the applicant and agree the appropriate action that should be taken.

### Volunteers

In meeting these aims, each of the Trustees provides the charity with many hours of service on a voluntary basis, but the charity has no particular requirement for volunteers outside of the trustee body. No financial value is attributed to this voluntary work in the financial statements.

### Public benefit

The Trustees are mindful that it is of paramount importance that the Charity’s activities are carried out for the public benefit. They have a rigorous grant making policy, which is more fully described above, to ensure that the Charity only awards grants to projects whose objects satisfy the public benefit criteria. The Trustees monitor carefully the supported projects to ensure that the stated public benefits are delivered.

The Trustees confirm that they have complied with their duty to have due regard to the guidance published by the Charity Commission on public benefit when reviewing the Charity’s aims and objectives, in planning future activities and in setting the grant making policy for the year.

### ACHIEVEMENTS AND PERFORMANCE

Payments of grants to institutions in the financial year amounted to £327,637 compared with £207,102 in 2018. During the year the Trustees have continued to support a number of projects, partly with other organisations, to improve community amenities (including social welfare), heritage, education, arts, and amateur sporting facilities of the town, which are accessible to all sections of the community.

Although several of the projects that have been supported cover more than one activity the broad breakdown of the grants paid by activity is as follows:

Activity	Grants Paid	Number
Community and social welfare	£223,703	32
Heritage	16,250	4
Education	21,699	4
Arts	10,235	4
Amateur sports	55,750	7
	-----	-----
Total	£327,637	51
	=====	=====

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

### ACHIEVEMENTS AND PERFORMANCE (continued)

#### Community and Social Welfare

From a Community and Social Welfare perspective the organisations that have benefited from the Charity's support in the year include the following:

**Voluntary Action South Leicestershire** ("VASL") is a charity, based in Market Harborough, which the Charity has supported over many years in response to cuts in government funding. It provides an integrated voluntary action centre to co-ordinate and support the activities of volunteers for the benefit of the town and surrounding district.

During 2019, VASL received grants totalling £33,750 from the Charity towards its car scheme which provides transport for elderly, disabled or rurally isolated people who can't use, or have no access to public transport. In a typical year the service provides between 5,000 and 6,000 passenger journeys to help its users get to places such as the health centre, dentist, hairdressers, hospital appointments and the leisure centre. The annual cost of running the scheme is in the region of £90,000 and the Charity has pledged to support the scheme with quarterly grants of £6,750 payable over a three-year period. The total amount pledged which is outstanding at 31 December 2019 is £47,250.

During the year the Charity also paid a final grant of £2,880 as part of a series of payments towards funding VASL's projects supporting mental health issues of both patients and their carers.

**Market Harborough Medical Centre** received a grant of £30,000, representing the first part of a total pledge of £120,000 payable over two years, towards projects aimed at supporting those with mental health issues and eating disorders. This mental health initiative arose from the Charity's active involvement in the Harborough Locality Integrated Leadership Team, a group which is responsible for joining up and coordinating the care provided by multiple professionals to patients within the locality.

The grant has been used to partly fund a Mental Health Facilitator, based in the Medical Centre, who in the first five months of operation saw over 350 patients across all age groups suffering with a range of symptoms but most notably anxiety and depression. The Facilitator provides advice, guidance and signposting and can refer patients for specialist services as appropriate.

**The Harborough District Leisure Trust Limited** is a Society registered under the Co-operative and Community Benefit Societies Act 2014 whose primary remit is to provide leisure services to the general public within the Harborough District. The Trust has also taken on board a national initiative "Ageing Well and Falls Prevention".

Every day in the UK, almost 10,000 people aged over 65 fall over. A bad fall can have serious health repercussions including injury, broken bones, fear of further falls and social isolation. The initiative is aimed at both those at risk of falling and those who care for them. It helps them to identify fall risk factors, understand what they can do to reduce such risks and the actions to be taken when falls occur.

The Charity was pleased to support the launch of the initiative in Harborough with a grant of £26,235.

**Home-Start South Leicestershire** ("Home-Start"), is a registered charity based in Market Harborough which offers assistance to parents in the many challenges that they face in bringing up their children particularly where these are exacerbated by issues such as: illness/disability; mental health problems; loneliness and isolation; family/relationship breakdowns; bereavement; and financial hardship.

Home-Start assists such families through four Projects involving a combination of home-visiting support, groups and courses. Home-visiting support usually consists of two to three hours a week by a volunteer, normally a parent themselves, who is matched with a family on the basis of the level of need. Their aim is to support parents to grow in confidence, strengthen their relationship with their children and widen their links within the local community.

In 2018, the Charity pledged support of £60,000 to be paid over a three-year period, subject to appropriate conditions being met, to the costs of the Family Know-How project and during the year made the second of three grants of £20,000. This project, which has been successfully delivered for four years, focuses on the needs of some of the most complex families that they support, particularly those struggling to cope with their young children because of: lack of confidence/self-esteem; lack of understanding as to how to lead a healthy lifestyle; and chaotic home and financial circumstances.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

### ACHIEVEMENTS AND PERFORMANCE (continued)

During 2019 the Charity also pledged a further £60,000, again payable over three years subject to the necessary conditions being met, in support of the Post-Natal Illness Project, which provides practical support, help and advice for families affected by post-natal illness. The first grant of £20,000 was paid in the year and the balance of £40,000 is expected to be paid in two further equal instalments in 2020 and 2021.

**Harborough Christian Counselling Service** was the recipient of two separate grants in the year totalling £17,500. The service is located at the Bower House in Coventry Road, and provides help, support and encouragement in the form of Christian counselling to the local people of Market Harborough and District at times of crises in their lives. Its aim is to empower and help people make their own decisions in appropriate ways to enable them to satisfactorily come through these crises. Whilst the counsellors are Christians, the service is available to people of all faiths or none. Counsellors are trained within the organisation and it provides a service which is responsive to local demand and, importantly, free to users. In addition to the trained counsellors the service also has a number of support workers who offer a listening and befriending service to users who do not want to make a commitment to counselling.

The smaller grant of £5,000 was the balance a pledge of £20,000 made in 2018 toward the costs to be incurred by the organisation in developing and delivering an accredited course to train counsellors specifically to work with children and young people.

The larger grant of £12,500 was the first instalment of a pledge made in 2018, subject to fulfilment of the relevant criteria, to assist with operating costs over a five year period. Payment of the outstanding pledge of £50,000 is expected to be made in equal instalments between 2020 and 2023.

**Leicestershire & Rutland Organisation for the Relief of Suffering Limited ("LOROS")** is a charity based in Leicester, which every year provides free, high-quality, compassionate care and support to over 2,500 terminally ill adult patients, their family and carers across Leicester, Leicestershire and Rutland.

The care package offered includes: short-stay inpatient ward for symptom management and/or end of life care; outreach support in the patient's home; day therapy; complementary therapy; and counselling.

The Charity is working with LOROS to assess the feasibility of establishing a Wellbeing Centre in Market Harborough which would be built on the Charity's land adjacent to its Northampton Road allotment site without impacting on the allotments themselves. As part of this work LOROS has established an End of Life Support Patient Unit in the town, which is initially to be run as a two year pilot project. The Charity has pledged support of £35,920 for this project over the two year period payable in six-monthly instalments of £8,980, this first of which was paid in 2019.

**Market Harborough Baptist Church** was paid the final instalment of £7,338 (out of a total of £76,500) in connection with a major refurbishment of the New Horizons Church Halls and kitchen.

The Church has an established record for serving the community through making its facilities available for private hire. In particular, the halls are in regular use by organisations including: toddler groups; keep fit/dance classes; a bridge club; two choirs; and Brownies, Guides and Explorers. The total membership of these organisations is approaching 400 with an age range of 2 to nearly 100.

The improvement works have provided a much better environment for all of these community groups and the enhanced kitchen facilities enable the provision of a greater range of refreshments and lunches, which will hopefully attract more community groups in the future.

**Market Harborough Anglican Team and Market Harborough Methodist Church** each received grants of £5,936 and £6,250, respectively, to assist in the recruitment and employment of youth workers to support young people and youth initiatives within their congregations and the wider community.

The grant to the Market Harborough Anglican Team is the first out of a total pledge of £10,308 to fund a youth worker who was in post at the end of the year. The Charity has also committed to fund a second post if and when a suitable candidate is recruited.

**Market Harborough & District Scouts** is the umbrella organisation for eight scout groups and four explorer scout groups across the district. During the year the Charity was pleased to award grants of £5,000 and £2,000 to enable scouts from the area of benefit to attend the World Scout Jamboree in West Virginia and the European Scout Jamboree in Gdansk, respectively.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

### ACHIEVEMENTS AND PERFORMANCE (continued)

Other grants aimed at supporting young people include: £4,750 paid to **South Leicestershire Mobile Toy Library** a registered charity providing individuals, schools, nurseries, playgroups and childminders with a range of therapeutic, educational and stimulating toys from its library, specifically aimed at children with special needs; and £4,000 to **Harborough District Children & Young People's Charity ("HCYC")** which runs three main projects providing activities for young people from the ages of 5 to 18 across all sectors of the local community, particularly those who are vulnerable and/or isolated.

A further education grant of £1,000 was paid to HCYC towards the publication of "Speak Out" a youth-led, youth views termly magazine created by a core of young people aged between 11 and 18.

**Market Harborough in Bloom Volunteers** were supported with a grant of £4,926 to assist with purchase of new equipment and refurbishment of the kitchen used by the volunteers. The group, which is made up entirely of volunteers, involves individuals, businesses, clubs/societies and schools from all sectors of the community in its bid to increase awareness of and generally improve the built and natural environment. For several years Market Harborough has been awarded Gold in East Midlands in Bloom (part of the Britain in Bloom event) and in the last two years has been placed in second place in the Large Town category, just one point behind the winner.

**Harborough Fayres CIC** stages an annual event on a Friday evening shortly before Christmas, which has been running in various guises for more than thirty years. The event is a street festival which is held throughout the town centre with festive entertainment for children and adults alike. Most of the local shops and businesses stay open to join in the fun. With more and more people attending each year, it has become necessary for the town centre roads to be closed for the safety and enjoyment of the public. The costs associated with such road closures represent an ever increasing proportion of the annual budget and the Charity agreed a grant of £3,150 to cover the costs in 2019.

On a similar theme and for a similar purpose, the Charity provided a grant of £3,000 to **Arts Fresco**, a charity which for many years has staged a free event in September that transforms the town centre into the biggest street arts festival in the Midlands.

Both are hugely popular community events and draw large crowds. The Charity is proud to have played a part in making them possible.

### Heritage

**Market Harborough PCC** was the recipient of the largest heritage grant paid in the year of £9,000. The grant was awarded, using the Charity's fast track procedure, in order to assist with the cost of urgent repairs to the steeple of the church of St. Dionysius.

The church, which is the parish church of Market Harborough, has Grade I listed status and parts of it date back to the 13<sup>th</sup> Century. The crocketed broach spire is classed as one of the finest in England. The tower, 154 ft. high to the top of the spire, rises in four stages and has diminishing buttresses at the angles.

A Quinquennial inspection of the building had identified fractured stonework on the north side of the steeple and the Trustees has no hesitation in awarding the grant, due to the importance of the building to the town and the serious nature of the damage. Thankfully, this has now been fully repaired.

**The Parish of the Transfiguration - Little Bowden** which is responsible for two churches in the parish of Little Bowden was awarded a grant of £5,400 to assist with the cost of repairs to rainwater goods and disposal systems at St. Nicolas Church.

The charming stone church also dates back to the 13<sup>th</sup> century and the repairs have prevented water ingress which would have resulted in more extensive damage to the fabric of the building and discomfort for the congregation.

The two remaining heritage grants were awarded to facilitate restoration of a clock dating back to the 1940's, which is a significant town landmark, on the Old Coffee Mills and towards a project to increase the number of Leicestershire Heritage Apple trees around the town.



# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

### ACHIEVEMENTS AND PERFORMANCE (continued)

#### Education

**Meadowdale Primary School**, which was purpose built and opened in 2001 to serve new developments on the East side of Market Harborough, has transformed a field alongside the school into a forest by planting a total of 145 trees and shrubs including oak, ash, sycamore, pine, eucalyptus, cherry, pear and apple. They have also set up planters and brought in chickens for the pupils to feed and look after.

As well as giving children the opportunity to learn from engaging and interacting with nature on a daily basis the facility will be used to teach ecological and climate change issues and it is expected that it will also improve their mental and physical health.

The total cost of the new facility was in excess of £40,000 and the Charity was pleased to assist with a grant of £20,000.

The remaining education grants awarded in the year included that for the Speak Out magazine referred to above and assisted with the purchase of microphones and a fridge for use in local schools.

In addition to its usual grant making, the Charity launched in the year a separate new initiative to be known as the Education Bursary Fund. Through this fund the Charity will award bursaries, over a three year period, up to £180,000 a year for all the schools in the area of benefit, which equates to a maximum of £20,000 per school per annum. The Bursary Fund has relatively few rules to give Trustees flexibility in accessing applications for assistance.

On the launch of the scheme £90,000 was transferred to a designated reserve to cover the anticipated expenditure in the first six months and by the end of the year, three such bursaries, each of £20,000, had been awarded to Little Bowden Primary School, Robert Smyth Academy and Welland Park Community College Academy Trust. These awards have supported: the engagement of educational and speech and language therapists; upgrades to hardware and software for use in teaching music, graphic design and drama; the purchase of library books; and the costs of a technology apprentice. The £30,000 which has been unspent is carried forward in designated reserves and is expected to be awarded in 2020.

Furthermore, in addition to these grants to educational organisations, the Charity once again placed advertisements in the local press and media promoting its schemes designed to assist individuals with the payment of course fees for undergraduate and vocational study (including apprenticeships). In response to requests from applicants the scheme has been extended in recent years to include assistance with accommodation costs for those involved in a course of full-time study away from their home. During the year grants totalling £118,979 (2018: £103,018) were paid from the Educational Fund to 141 individuals (2018: 86).

At 31 December 2019 the outstanding commitment to students who have been awarded grants covering the remainder of their course, assuming that they meet the necessary qualifying conditions, was approximately £232,500. A designated reserve has been established to meet this commitment and was increased by £47,500 from £185,000 at 31 December 2018. Of this sum approximately £118,000 is expected to be paid in 2020, £80,500 and £31,500 in 2021 and 2022, respectively, with the balance in 2023.

#### Arts

**Harborough Band** was awarded the largest Arts related grant in the year of £6,000 which it used to assist with the purchase of a new Tuba and music stands.

The band was formed in the late 19<sup>th</sup> Century, and is an amateur traditional First Section Brass Band, comprising a training and a senior band, made up of a wide range of players both in terms of ages and backgrounds. It plays an active part in the local community performing in competitions and at numerous events throughout the town.

The other arts related grants assisted: a local puppet group with purchase of outdoor staging; a Great Bowden music festival in performing a classical concert; and The Great Bowden Recital Trust in running a junior X-factor competition.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

### ACHIEVEMENTS AND PERFORMANCE (continued)

#### Amateur Sports

**Bowden Cricket Club** is an amateur club, which was established in 1882, and is based at the recreation ground in Great Bowden. It has a wide spectrum of membership from juniors to veterans of both male and female cricketers of all abilities. It is ECB Clubmark accredited and has two senior sides playing in local leagues as well as a girls team and a thriving junior cricket section, with over 100 members, that represents the Club at Kwik Cricket and at a variety of age levels.

The charity has assisted the club in previous years in the redevelopment of its changing rooms and clubhouse and, as part of its continuing program of maintaining facilities at a level appropriate to its increasing membership, the Club set about raising funds to replace its ageing cricket nets and artificial pitch. The Charity was pleased to assist in this respect with a grant of £26,000.

**Welland Park Community College Academy Trust** received a grant of £20,000 to assist in the refurbishment of its multi-purpose sports hall. The works included full size markings for volleyball, basketball, five a side football and four badminton courts. The sports hall is in regular use by the students during the school day and is used by a wide variety of amateur sports and gymnastic groups outside of these times. It is a valuable adjunct to the floodlit all weather pitch at the same site, the redevelopment of which was supported by the Charity in 2008.

**Little Bowden Bowling Club** was awarded a grant of £4,000, as a contribution towards refurbishment of its bowling greens. This followed grants made in earlier years towards replacing a mower for the greens and the costs of constructing a storage shed. The club has a varied membership and encourages non-members, particularly juniors, to try the sport with open evenings on a Friday during the summer months at which coaching is available free of charge.

The other amateur sports related grants in the year assisted: the Market Harborough Cricket Club with the purchase of an electronic scoreboard; the cost of arranging a cycling event for the elderly and disabled; and the purchase of new kit for two of the town's football clubs.

The Charity has also pledged support of up to £100,000 to the **Market Harborough Lawn Tennis Club** for replacement of its clubhouse and up to £50,000 to the Market Harborough Cricket and Squash Club for the construction of a new Padel Tennis court. Both pledges are made subject to certain conditions being fulfilled and are included in the designated reserve for grants payable.

During the year the Charity received £1,626 (2018: £6,504) by way of a final repayment of grants made in previous years to the **Harborough Town Football Club**. A series of grants were made to the Club to assist with the funding of clubhouse improvements on the understanding that if the Club was able to recover VAT on such costs, which was at the time uncertain, it would repay the amount recovered to the Charity. In view of the uncertainties involved regarding recoverability of the balance, no provision was made in the annual financial statements for the amount that was potentially recoverable from the Club.

#### Other commitments

In addition to the grants paid in the year, the Charity has also made non-binding commitments, many of which are detailed above, for payments, amounting to £621,212, in respect of projects which were subject to unfulfilled conditions as at 31 December 2019. If the conditions are fulfilled, it is expected that the Charity will pay approximately: £356,000 in 2020; £134,000 in 2021; £47,000 in each of 2022 and 2023; and the balance of £37,212 in 2024 in settlement of these pledges.

In total, during the year, £662,551 was transferred to the appropriate designated reserve to meet grant expenditure pledged in the year and a corresponding transfer of £389,409 was made from this designated reserve to the General Fund once the expenditure had been incurred or it was agreed that the amount pledged would no longer be the subject of a grant.

#### Church of St. Peter & St. Paul Great Bowden

During the year, the Great Bowden PCC made an application for assistance with the cost of repair and maintenance of the Church of St. Peter & St. Paul. The Charity contributed a total of £10,543 (2018: £26,953) to such works in the year.

# **MARKET HARBOROUGH AND THE BOWDENS CHARITY**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019**

### **ACHIEVEMENTS AND PERFORMANCE (continued)**

#### **Relief in Need**

The Charity prefers prevention to palliatives. It wishes to foster self-help and the participation of those intended to benefit. It also aims to enable less advantaged people to be independent, gain useful skills and overcome disabilities and encourage volunteer involvement. Through its Relief in Need scheme the Charity supports practical initiatives embodying some or all of these characteristics. During the year grants of £42,086 (2018: £52,062) were distributed under this scheme to a total of 57 individuals/families (2018: 49). Of these grants, 15 (2018: 12) amounted to more than £1,000 and the remainder were less than £1,000 each. The Charity maintains a designated reserve which is intended to ensure that there are adequate funds to pay relief in need grants in the event of a downturn in income. Based on grants awarded in recent years the level of this reserve has been maintained at £90,000 as at 31 December 2019.

During the year the Charity has used the services of a caseworker to assess relief in need claims.

#### **Other grant related costs**

Other direct costs (including Steward's, Facilitator's, Caseworker's and Secretarial time, advertising and database development) amounting to £32,637 (2018: £28,259) and apportioned support costs of £54,422 (2018: £41,434) were associated with the grant making activity and paid from the General Fund in the year.

#### **Almshouses**

The Charity has fourteen fully serviced Almshouses, which are let to tenants aged 60 and over subject to a modest contribution. The Almshouses were fully occupied throughout 2019 but contributions from tenants (£77,382) were £23,710 short of outgoings in the year (£101,092).

The outgoings included almost £57,000 of routine repair and maintenance expenditure. Other than in exceptional circumstances, major refurbishment work is generally only possible when there is a change of tenant and a designated reserve of £40,000 is maintained to ensure that sufficient funds are available to undertake such works when the need and opportunity arises.

#### **Allotments**

The Charity owns two separate allotment fields in the town and in recent years has undertaken considerable work to bring additional plots into cultivation and to upgrade and enhance the facilities, which include good access and mains water supplies. Demand for the allotments remains strong and gross income was £4,930 during the year compared with £4,555 in 2018. However, this was insufficient to cover the expenditure of £18,242 and there was a deficit of £13,312 for the year.

A designated reserve of £30,000 is maintained to cover future costs associated with non-routine maintenance of the allotments and the commercial properties.

#### **Old Grammar School**

Following completion in 2014 of a major programme of work to its Heritage Asset, the Old Grammar School, a 17<sup>th</sup> Century town landmark that celebrated its 400<sup>th</sup> anniversary in 2014, expenditure on the building was a more modest £22,137 (2018: £18,166). The Charity manages the letting and community use of the facility in-house and during the year such letting contributed £5,800 towards running costs. Despite the major work in 2014, because of its age, the building is in constant need of maintenance and a designated reserve of £10,000 is maintained to cover such work as is likely to be required in the short-term.

#### **Site of Special Scientific Interest**

There is a Site of Special Scientific Interest ("SSSI") on part of the farmland, owned by the charity for investment purposes, which is managed by the Leicestershire and Rutland Wildlife Trust. Direct costs of £2,755 (2018: £5,064) were incurred on this site during the year.

# **MARKET HARBOROUGH AND THE BOWDENS CHARITY**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019**

### **FINANCIAL REVIEW**

#### **Review of major risks**

The Board has given consideration to the major risks to which the Charity is exposed and engaged the services of professional advisers to ensure these risks are controlled and minimised. Appropriate management systems and assurances are also in place to support these controls. The conversion to a Charitable Incorporated Organisation ("CIO") in June 2017 provided the Trustees with a catalyst to revisit their approach to risk management. Of particular note has been the investment in regulatory audit including preparation for the new General Data Protection Regulation; fire risk management, and asset registration. The Trustees reintroduced a formal updated risk register in 2018.

Over the last twenty years, the Charity has been able to generate substantial income and support some major projects. Five years ago the trustees completed a strategic review, resulting in more liaison with project organisers, the provision of dedicated offices, increased funds and conversion to a CIO. In 2018 the Trustees of the Charity developed this strategic plan further to set their future direction, to make clear what its priorities are and what its resources should be concentrating on delivering. The Trustees recognise that they will need to revisit the plan bi-annually.

The trustees wished to improve the visibility and effectiveness of the Charity so that more local people could benefit. In consequence they embarked upon a series of initiatives aimed at:

- Generating more quality grant applications;
- Improved communication with other local charities about the development of land owned by the charity;
- A review of the Charity's name and branding, leading to a new logo, website and media presence;
- Improved internal and external communication including public open days;
- Recruitment of new trustees aimed at bringing different skill sets to the Board; and
- A review of staffing.

Good progress has been made during the year and the Strategic Plan was due for, and has subsequently been re-adopted as an ongoing strategy in February 2020.

A sub-committee of Trustees, known as the Estates Committee, has been established under the chair of an experienced property professional to oversee the management of the property portfolio. The committee is advised in this respect by the local office of a national firm of land agents and a firm of planning consultants headed by a former Steward of the Charity. In addition, three separate firms of Investment Managers manage the investment portfolio. Investments are spread over a portfolio of equities, bonds and cash to reduce the impact of volatility in the equity market and Trustees meet with investment managers on a regular basis to review the portfolio and consider their recommendations.

The Charity staff and Trustees work closely, through contact groups, with organisations that apply for major grants to ensure that their projects are legitimate, feasible and satisfy the criteria for public benefit. If a grant is awarded, the contact group continues to ensure that the project is properly planned and managed. Twelve months after completion of the project, the Trustees undertake an audit to ensure that the project continues to meet the public benefit objectives as set out in the application.

The Board has appointed a firm of Chartered Accountants to oversee all aspects of bookkeeping and the preparation of quarterly management accounts to enhance the accuracy and timeliness of financial information. A financial information report is presented quarterly to the Board. A finance committee has been established from amongst the Trustees which meets occasionally to review investment performance and finance policy.

A Governance and Administration committee, comprising the chairs of each of the various sub-committees, meets quarterly to oversee the smooth running of the Charity's administration activities and to constantly review the governance of the Charity.

#### **General and Designated Funds**

The net outgoing resources from the General Fund for the year, before gains/losses on investments and transfers to/from designated reserves, amounted to £65,796 compared with net incoming resources of £4,748 in the previous year.

Income from the investment portfolio (excluding investment properties) increased by approximately 6.68% compared with the previous year to £560,334. This exceeded the annual budget, which was set at the start of the year in discussion with the Charity's fund managers, by more than £43,000.

# **MARKET HARBOROUGH AND THE BOWDENS CHARITY**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019**

### **FINANCIAL REVIEW (continued)**

The value of the portfolio grew by approximately 11.81% over the year. This compares with growth of 14.19% in the FTSE All Share index and 12.10% in the FTSE 100 index over the same period. Historically, the movements in valuation of the Charity's portfolio have always been less dramatic than the movements in these two FTSE indices. This reflects the fact that the Charity adopts a relatively cautious and balanced investment strategy, which has, to some extent, protected it from some of the worst effects of the recession and the recent effects of Covid-19. A more suitable benchmark is the MSCI WMA Private Investor Balanced index which, surprisingly, outperformed both of the FTSE indexes growing by 16.21% over the year.

At 31 December 2019 the investment portfolio (ignoring investment properties) was valued at £15,711,775 which represents an unrealised surplus of £3,516,111 over its original cost.

Unfortunately, during the first quarter of 2020 the markets were hit by the unprecedented effects of the global Covid-19 pandemic and the value of the portfolio at 31 March 2020 had fallen by £2,569,511 from its year-end value. This represents a fall of 16.35% which, although very significant, is not out of line with a fall of 14.67% with the MSCI WMA Private Investor Balanced index and much better than the two FTSE indexes, which had both fallen by approximately 25% in the same period.

Subsequently, there has been some recovery in the markets but investment income is expected to be reduced in 2020 and the Trustees have adjusted the annual budget to reflect latest advice from its investment managers.

Mr J G Jacobs FRICS, of Jim Jacobs Planning and Property Consultant Ltd., Chartered Surveyors, formally revalued the Charity's freehold investment properties held within the endowment fund as at 31 December 2016 and the Charity would have expected to commission a formal valuation as at 31 December 2019 in accordance with its usual policy of triennial valuations. However, in the light of the uncertainties in the property market created by the Covid-19 pandemic, the Trustees decided to defer a formal valuation until 31 December 2020 when, hopefully, some certainty will have returned. In the interim, Mr Jacobs has provided a desk top review of his 2016 valuations and, based on this, the Trustees have revalued the investment properties to £2,573,675 at 31 December 2019. This represents a decrease of £85,216 over the carrying value at 31 December 2018 and a net reduction of £35,575 since the most recent formal valuation.

Rental income from the investment properties (which include farmland, paddocks and shops) for the year was £98,512 compared with £97,414 for 2018 reflecting upward rent reviews with effect from March 2018. This represents an investment yield of approximately 3.83% based on the latest valuation.

All of the properties remain fully let in 2020 but, to assist tenants during the pandemic, the Trustees have agreed to deferred payment terms for certain of the shops which will impact on cash flow in 2020.

Income from the charitable activities including the almshouses, Old Grammar School and allotments increased to £98,340 compared with £86,102 in 2018.

The cost of generating funds fell significantly to £37,532 compared with £88,576 in 2018, which was exceptionally high due to the cost of damp-proofing works in the cellars of the High Street shops (part of the investment property portfolio). Expenditure on charitable activities (excluding grants) was also lower at £144,226, compared with £165,629, which is primarily due to the absence of any non-routine maintenance costs at the almshouses.

Voluntary income and other incoming resources contributed a further £3,184.

As a result of the movement in resources referred to above, and unrealised gains of £158,758 on general fund investments, General Funds have decreased by £207,680 over the course of the year and stood at £520,965 as at 31 December 2019. Aggregate retained reserves carried forward in respect of designated funds amounted to £1,103,712 (2018: £803,070).

### **Restricted Income Fund**

During the year the Charity received a grant of £6,087 from the Market Harborough Musical Theatre on the understanding that it would be used to support performing arts in Market Harborough and the Bowdens. The grant has, consequently, been accounted for as a Restricted Fund and it is anticipated that it will be applied for the specified purpose in 2020 or 2021.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

### FINANCIAL REVIEW (continued)

The Market Harborough Musical Theatre was a registered charity which, for over 70 years, staged amateur productions of musical comedy, light operettas and modern musicals. Sadly, faced with increased costs, falling membership and increased competition for audiences, the group decided that it was the time to bring the final curtain down on its activities and to hand over its remaining funds to the Charity. Whilst the Trustees are saddened to see the demise of an organisation that has brought so much fun to members and audiences over so many years, it is grateful for the donation and will ensure that it is applied wisely so that the spirit of the Musical Theatre lives on.

### Endowment Fund

During the year, expenses of £66,371, representing the cost of managing the investments and depreciation of certain Endowment Fund assets, were charged against the Endowment Fund. Net gains of £105,253 were realised on sales of stocks within the investment portfolio during the year and unrealised gains of £1,443,749 were recorded on the revaluation of the portfolio to its market value at the year end. As reported above, revaluation of the investment property portfolio resulted in a deficit of £85,216.

The net effect is that the value of the Endowment Fund assets has increased by £1,397,415 over the year and stood at £19,706,977 as at 31 December 2019.

### Investment policy

The Charity has adopted an investment strategy to provide for present and future benefits. It aims to avoid unnecessary risks through diversification and as far as possible to generate a stable level of investment income in the region of £500,000 per annum and a balance of income and capital growth. There are no restrictions on the Charity's power to invest. The Charity uses the services of three different fund managers who invest the funds under their control as follows:

<b>Cave &amp; Sons Limited</b>	Directly held UK equity and fixed interest stocks UK equity and fixed interest unitised investments Overseas equity unitised investments With a target split of: 55% UK Equities; 25% UK Fixed Interest; and 20% Overseas Equities
<b>Cazenove Capital Management Limited</b>	Unitised investments comprising: UK Equities (50% to 60%) Overseas Equities (10% to 15%) UK Fixed Interest and Cash (20% to 30%) Property (5% to 15%) Other Alternatives (0% to 10%)
<b>CCLA Investment Management Limited</b>	COIF unitised investments specifically for charities in: Charities Investment Fund Charities Property Fund Charities Fixed Interest Fund Charities Global Equity Fund

Approximately 25% of these funds are in overseas equities.

The Trustees review investment performance and asset class allocations at regular meetings with the Fund Managers and respond to economic and investment circumstances as required. In addition, the Trustees remain ready to take advantage of any longer term investment opportunity that may arise such as the acquisition of appropriate land and buildings.

### Reserves policy

Reserves represent unrestricted funds after appropriate provision has been made, through designated funds (as described above) for: meeting commitments for grants pledged; maintenance and repair of the Great Bowden church; making Relief in Need and educational grants; and repairs to all freehold properties.

# **MARKET HARBOROUGH AND THE BOWDENS CHARITY**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019**

### **FINANCIAL REVIEW (continued)**

The Trustees aim to find projects worthy of support, in accordance with the Charity's objects, such that the grants that they award are approximately equal to the Charity's income net of operational expenses and management and administration expenses. However, reserves are required:

- to allow for unforeseen reductions in annual income; and
- to enable the Charity to provide funds for specific projects so that these projects can be undertaken at short notice.

Taking these factors into account the Trustees consider that the reserves should ideally be within a range of twelve to eighteen months of the typical outgoing resources of the Charity (excluding amounts specifically covered by designated reserves) which approximately equates to between £500,000 and £750,000.

The reserves at 31 December 2019 amount to £550,965, however, tangible fixed assets which are in operational use by the Charity represent £250,410 of this total. Therefore, the net free reserves are £300,555. This level of reserves lies below the ideal range, but is considered to be acceptable for the immediate needs of the Charity.

The Charity's Finance Committee continues to keep the level of reserves under review and in making its assessment it will refer to quarterly management accounts prepared by the Charity's accountants, income projections prepared by the Charity's fund managers and internally produced cash flow projections. Appropriate recommendations will then be made to the Board as to the level of grants to be awarded in 2020. If necessary, the level may need to be reduced from that of recent years but there is no material uncertainty that the Charity will be able to continue as a going concern for the foreseeable future.

### **PLANS FOR FUTURE PERIODS**

The challenges presented by the Covid-19 pandemic will also provide opportunities for the Charity to make a real difference as the local community works to bounce back from the impact of the lockdown. Staff and Trustees are actively encouraging people to make contact to find out how the Charity can help.

Despite the Charity office being closed during the lockdown period, the Charity has continued to operate and has been working with a number of organisations which have a critical role to play in the community including VASL, Home-Start and the Harborough Christian Counselling Service. As lockdown eases and people begin to return to work, Trustees are aware that there will be many needs, both for individuals and for organisations. Mental Health is an area which the Charity has previously prioritised and, if anything, will become even more important over the coming months. Opportunities will be sought to work with organisations in Harborough supporting individuals and groups with mental health issues.

While the Charity might be unable to provide individuals with financial support, it can provide assistance which can help to make a real difference and people are encouraged to make contact. The Charity can also support people who are re-training or looking to embark on long-term career changes.

Many organisations will also have to make adaptations to the way they operate in the future and the Charity has funds available to help them to do this. As an example, the Charity has recently provided funds to the Jubilee Food Bank for fairly basic equipment in the knowledge that it has made a real difference to them and the individuals that they support.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Document**

The Charity was registered as a Charitable Incorporated Organisation on 9 July 2014 and is governed by a foundation constitution, which was last amended on 25 May 2017. The constitution states that the body of trustees ("the Board") shall consist of a minimum of eight trustees and a maximum of fifteen appointed trustees and one ex officio trustee. The fifteen first trustees of the Charity were appointed for terms ranging from between two and five years, whereupon they are eligible for re-appointment. All subsequent appointments/re-appointments are for a term of four years.

# **MARKET HARBOROUGH AND THE BOWDENS CHARITY**

## **REPORT OF THE TRUSTEES**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

#### **Merger**

Pursuant to a pre-merger vesting declaration signed on 31 May 2017, the Charity merged with an unincorporated charity, also known as Market Harborough and The Bowdens Charity ("the Unincorporated Charity"), with effect from 1 June 2017. Whereas, the Charity had not engaged in any activities prior to the merger, the Unincorporated Charity had been active for many years and was registered with the Charity Commission with number 1041958. The two charities had a board of trustees and objects which were identical in all material respects.

Following the merger the Charity holds all of the unrestricted property of the Unincorporated Charity as its corporate property and the specified trust property of the Unincorporated Charity on the same trusts, so far as reasonably practicable, on which the property was held before the merger. The Charity also assumed responsibility for the Unincorporated Charity's liabilities and undertook to pay all expenses accruing or to be incurred in respect of the assets and liabilities transferred to it.

#### **Organisational structure**

The Board meets once a quarter and has appointed staff to attend to the day to day running of the Charity. Sub-Committees of the Trustees have been established in the areas of: Governance and Administration; Finance; Relief in Need; Appeals; Estates Management and Education. The Board has approved detailed terms of reference for each of these sub-committees and receives a formal report at each quarterly meeting.

#### **Remuneration structure for key management personnel**

The Trustees give of their time freely and receive no remuneration from the Charity. Additional emphasis on conflicts of interest and loyalty was effected during 2017 so that, in addition to the Trustees completing an annual declaration of interests, every Board and sub-committee meeting commences with a standing agenda item to mandate any new potential conflicts to be declared and recorded.

During 2018, the Trustees engaged an independent firm of HR consultants to bench-mark staff remuneration packages with grant-making charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

The report concluded that the salaries that were being paid by the Charity were not out of line, and indeed were slightly higher than those in similar organisations. In addition, they recommended that the basic holiday entitlement should be increased and that a cost of living increase should be awarded annually in line with the Retail Price Index. These recommendations have been adopted in full.

#### **Trustee recruitment, induction and training**

When a vacancy occurs for an appointed trustee, the vacancy is considered in the light of the skills required by the Board and advertised in the local media. If appropriate, a short list is then prepared of candidates, who through residence, occupation, employment, or otherwise have special knowledge of the area of benefit or have the necessary skills, knowledge and experience needed for the effective administration of the Charity. The potential candidates are invited to submit a brief CV and two personal references. Each candidate is then interviewed by at least three existing Trustees following which a recommendation is made for consideration by the Board. Appointment is confirmed on the basis of a majority vote.

Harborough District Council ("the Council") may appoint one individual to act as an ex-officio trustee of the Charity provided that individual is also a Senior Officer of the Council. The position of ex officio trustee shall remain vacant if none of the Council's Senior Officers are willing to act in this capacity.

New trustees are provided with an induction pack including information on their legal obligations under charity law, the content of the constitution, the committees and decision making processes, strategic review, and the recent financial performance of the Charity. All trustees will be encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.



# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2019

### TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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 the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP FRS (102);
- 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;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records that 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 Reports) Regulations 2008 and the provisions of the constitution. 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### FUND-RAISING STANDARDS INFORMATION

The Charity does not carry out any significant fundraising activities involving the general public.

### DECLARATION

I declare, in my capacity of Charity Trustee, that the Trustees have approved the report above and have authorised me to sign it on their behalf.



A.F. Trotter  
Chair of Trustees

Dated 29.10.2020 ~~2019~~

## **MARKET HARBOROUGH AND THE BOWDENS CHARITY**

### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKET HARBOROUGH AND THE BOWDENS CHARITY**

#### **Opinion**

We have audited the financial statements of Market Harborough and The Bowdens Charity (the "charity") for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019, and of its incoming resources and application of resources, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MARKET HARBOROUGH AND THE BOWDENS CHARITY (continued)

### Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Report of the Trustees; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement (set out on page 14), the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulation 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Callum Veasey ACA MAAT

(Senior Statutory Auditor)

For and on behalf of:

**Edward Thomas Peirson & Sons**

Chartered Accountants

21, The Point

Rockingham Road

Market Harborough

Leicestershire

LE16 7NU

Dated: 30.10.2020

*Edward Thomas Peirson & Sons is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	General Fund £	Designated Funds £	Restricted Income Funds £	Endowment Fund £	Total 2019 £	Total 2018 £
<b>INCOME AND ENDOWMENTS FROM:</b>							
Donations and legacies		3,061	-	6,087	-	9,148	-
Charitable activities	2	98,340	-	-	-	98,340	86,102
Investments:							
From investment properties	3	98,512	-	-	-	98,512	97,414
From investment portfolio	3	560,334	-	-	-	560,334	525,258
Other		123	-	-	-	123	2,503
<b>Total income and endowments</b>		<b>760,370</b>	<b>-</b>	<b>6,087</b>	<b>-</b>	<b>766,457</b>	<b>711,277</b>
<b>EXPENDITURE ON:</b>							
Raising Funds	4	(37,532)	-	-	(50,113)	(87,645)	(137,659)
Charitable activities:							
Provision of grant funding	5	(644,408)	-	-	-	(644,408)	(452,324)
Other charitable activities	6	(144,226)	-	-	(16,258)	(160,484)	(181,887)
<b>Total expenditure</b>		<b>(826,166)</b>	<b>-</b>	<b>-</b>	<b>(66,371)</b>	<b>(892,537)</b>	<b>(771,870)</b>
<b>Net income/(expenditure) before gains/(losses) on investments</b>		<b>(65,796)</b>	<b>-</b>	<b>6,087</b>	<b>(66,371)</b>	<b>(126,080)</b>	<b>(60,593)</b>
<b>GAINS/(LOSSES):</b>							
On Investment properties:							
Realised		-	-	-	-	-	-
Unrealised	12	-	-	-	(85,216)	(85,216)	91,641
On Investments:							
Realised	13	-	-	-	105,253	105,253	27,162
Unrealised	13	158,758	-	-	1,443,749	1,602,507	(1,036,051)
<b>Net income/(expenditure) before transfers</b>		<b>92,962</b>	<b>-</b>	<b>6,087</b>	<b>1,397,415</b>	<b>1,496,464</b>	<b>(977,841)</b>
<b>Net transfers between funds</b>	16	<b>(300,642)</b>	<b>300,642</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net income/(expenditure) for the period</b>		<b>(207,680)</b>	<b>300,642</b>	<b>6,087</b>	<b>1,397,415</b>	<b>1,496,464</b>	<b>(977,841)</b>
<b>OTHER RECOGNISED GAINS/(LOSSES):</b>							
On revaluation of Tangible Fixed Assets	11	-	-	-	-	-	-
<b>Net movements in funds</b>		<b>(207,680)</b>	<b>300,642</b>	<b>6,087</b>	<b>1,397,415</b>	<b>1,496,464</b>	<b>(977,841)</b>
<b>Total funds brought forward</b>		<b>728,645</b>	<b>803,070</b>	<b>-</b>	<b>18,309,562</b>	<b>19,841,277</b>	<b>20,819,118</b>
<b>Total funds carried forward</b>		<b>520,965</b>	<b>1,103,712</b>	<b>6,087</b>	<b>19,706,977</b>	<b>21,337,741</b>	<b>19,841,277</b>

All activities relate to continuing operations.

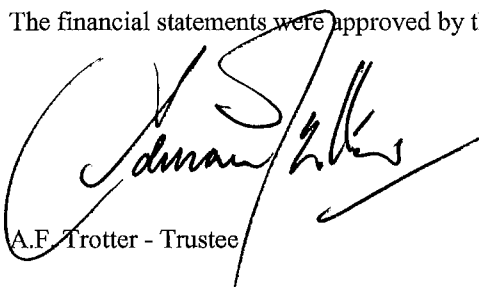
The notes on pages 21 to 36 form part of these financial statements.

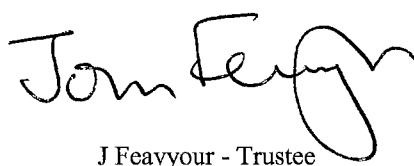
# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## BALANCE SHEET AS AT 31 DECEMBER 2019

	Note	2019	As At 31 December 2018
		£	£
<b>Fixed Assets</b>			
<b>Tangible fixed assets</b>	11		
Freehold land and buildings		2,685,375	2,710,086
Fixtures and fittings		6,719	8,551
Office equipment		7,897	-
		<u>2,699,991</u>	<u>2,718,637</u>
<b>Investments</b>			
Investment properties	12	2,573,675	2,658,891
Investment portfolio	13	15,711,775	14,052,137
		<u>18,285,450</u>	<u>16,711,028</u>
		<u>20,985,441</u>	<u>19,429,665</u>
<b>Current Assets</b>			
Debtors	14	16,297	22,699
Cash at bank and on deposit		421,766	458,232
Cash in hand		196	114
		<u>438,259</u>	<u>481,045</u>
<b>Creditors payable within one year</b>	15	(85,959)	(69,433)
<b>Net Current Assets</b>		<u>352,300</u>	<u>411,612</u>
<b>Net Assets</b>		<u>21,337,741</u>	<u>19,841,277</u>
<b>Funds</b>	16		
<b>Unrestricted funds</b>			
General funds		520,965	728,645
Designated funds		1,103,712	803,070
		<u>1,624,677</u>	<u>1,531,715</u>
<b>Restricted funds</b>			
Income funds		6,087	-
Endowment funds		19,706,977	18,309,562
<b>Total Funds</b>		<u>21,337,741</u>	<u>19,841,277</u>

The financial statements were approved by the trustees on 29.10. 2020 and signed on their behalf by:

  
A.F. Trotter - Trustee

  
J Feavours - Trustee

The notes on pages 21 to 36 form part of these financial statements.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Total 2019 £</b>	<b>Total 2018 £</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net movements in funds per Statement of Financial Activities	1,496,464	(977,841)
Adjustments for:		
Depreciation Charges	28,833	27,158
(Gains)/Losses on investment properties:		
Realised	-	-
Unrealised	85,216	(91,641)
(Gains)/Losses on investments:		
Realised	(105,253)	(27,162)
Unrealised	(1,602,507)	1,036,051
Dividends, rents and interest receivable from:		
Investment properties	(98,512)	(97,414)
Investments	(560,334)	(525,258)
(Gains)/Losses on revaluation of Tangible Fixed Assets	-	-
(Increase)/Decrease in Debtors	(2,166)	(3,257)
Increase/(Decrease) in Creditors	16,526	4,983
<b>Net cash used in operating activities</b>	<b>(741,733)</b>	<b>(654,381)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Rents received from investment properties	98,512	98,664
Dividends and interest received from investments	568,902	527,125
Purchase of Tangible Fixed Assets	(10,187)	-
Proceeds of Sale of Investments	1,606,492	1,850,540
Purchase of Investments	(1,495,493)	(1,829,611)
<b>Net cash provided by investing activities</b>	<b>768,226</b>	<b>646,718</b>
<b>NET CHANGE IN CASH IN THE REPORTING PERIOD</b>	<b>26,493</b>	<b>(7,663)</b>
<b>Cash brought forward</b>	<b>541,531</b>	<b>549,194</b>
<b>CASH CARRIED FORWARD</b>	<b>568,024</b>	<b>541,531</b>
<b>Cash Carried Forward represents:</b>		
Cash held in investment portfolio awaiting investment	146,062	83,185
Cash at bank and in hand held on instant access and short term deposits	421,766	458,232
Cash in Hand	196	114
	<b>568,024</b>	<b>541,531</b>

The notes on pages 21 to 36 form part of these financial statements.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 PRINCIPAL ACCOUNTING POLICIES

#### (a) BASIS OF PREPARATION

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) issued in October 2019 ("SORP (FRS 102)");
- The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) ("FRS 102");
- The Charities Act 2011; and
- UK Generally Accepted Practice.

The charity constitutes a public benefit entity as defined by FRS 102.

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 SORP (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The going concern basis and historical cost convention, as modified by the inclusion of freehold land and investments at fair value, have been used in preparing the financial statements.

#### (b) GOING CONCERN ASSESSMENT AND THE EFFECTS OF COVID-19

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The most significant area of uncertainty, which affects the continuing income of the Charity, are the levels of investment return and performance of investment markets. Note 13 to the financial statements provides detail of the action taken by the Trustees to mitigate the risks involved. Designated reserves have been established to ensure that adequate funds are available to meet pledges made by the Charity at the balance sheet date in the event that the associated conditions are met by the intended beneficiaries.

The Covid-19 outbreak was widely detected in the UK from February 2020, after the end of the financial year, and the Trustees are satisfied that it does not have an impact on the amounts recognised in the financial statements at 31 December 2019. However, as further explained in the Report of the Trustees, the global pandemic will subsequently have adversely affected the value of the investment portfolio, which had fallen in value by £2,569,511 in the period to March 2020. Whilst most of the unrealised loss will have been reflected in the Endowment fund, certain of the assets in the portfolio form part of the general fund and these investments have fallen in value by £104,078 in the quarter. The effect has been to reduce the free reserves (i.e. those that are not designated for specific purposes or represented by fixed assets) to below £50,000 at 31 March 2020.

The Trustees are liaising closely with the Charities investment managers to ensure that the value of the general fund assets are protected in the event of further falls in the markets.

There has been no significant reduction in investment receipts in the first quarter of 2020 but the Charity has reduced its projections for dividends receivable in future quarters in accordance with advice from its investment managers. Furthermore, short term cash flows will be adversely impacted by agreements reached with certain tenants of investment properties to defer rent receipts. Nevertheless, more than £265,000 of the designated reserve for grants is not expected to require payment within twelve months of the balance sheet date and typically only between 30% and 40% of annual income is required to cover the Charity expenditure other than the payment of grants. Therefore, whilst grant making may have to be restricted to a level below that of recent years the Trustees confidently expect that the Charity will have the cash flows to be able to satisfy existing pledges and to continue to make meaningful grant awards for the foreseeable future.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### (b) GOING CONCERN ASSESSMENT AND THE EFFECTS OF COVID-19 (continued)

The value of both investment properties and those used for operational/charitable purposes will have been affected as a consequence of the pandemic. Ordinarily a full independent valuation of these assets would have been undertaken as at 31 December 2019 as part of the policy for triennial valuations. However, in view of the current turmoil it is likely that a further full valuation would have been required once the property markets had stabilised, which would have involved the Charity in additional expense. Therefore, the Trustees decided to defer commissioning a full valuation until 31 December 2020 when hopefully there will be a greater degree of certainty.

Although the Charity has been required to close its offices during lockdown it has continued to operate, with staff and Trustees working remotely, and has been engaging with a number of organisations which have a critical role to play in the community. As lockdown eases and people begin to return to work, the Charity is aware that there will be many needs, both for individuals and for organisations and the Trustees see this as an opportunity for the Charity to play vital role in the bounce back within the local community.

### (c) INCOME RECOGNITION

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

**Charitable activities income** comprises contributions due from the tenants of the almshouses and rents and similar amounts receivable from the Cricket Club, Site of Special Scientific Interest, Old Grammar School and the allotments. These properties are held for charitable purposes and the income arising represents less than a market rent.

**Investment income** represents rental income from commercial properties and farm land, which are held by the Charity for their investment potential, together with interest and dividends on stocks, shares and bank deposits held on the endowment and unrestricted funds. Such income is recognised on a receivable basis and where appropriate, this includes the income tax recoverable.

Incoming resources from investments (including investment properties) held as part of the endowment fund are unrestricted.

Wherever possible, income is reported gross of any related expenditure. However, in the case of investment management costs within managed funds it is not always practicable to identify such costs with reasonable accuracy and, therefore, the investment income is reported net of these costs.

In accordance with SORP (FRS 102) no amount is included in the financial statements for volunteer time.

### (d) EXPENDITURE RECOGNITION

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to make payment to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably. As the Charity is not registered for VAT, all expenditure is shown gross of irrecoverable VAT.

Expenditure is categorised under the following headings:

**Raising funds** This represents: costs of managing and maintaining the Charity's investment properties; investment portfolio management fees; promotional and website costs aimed at potential donors; and production costs of the Old Grammar School booklets.

**Charitable activities** Costs under this heading fall into two distinct categories:

- Grants paid to individuals and organisations as approved by the Trustees in accordance with the Charity's Constitution; and
- The costs incurred in providing and maintaining the almshouses, the Old Grammar School; the allotments and the Site of Special Scientific Interest.



# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### (d) EXPENDITURE RECOGNITION (continued)

Where unconditional grants are offered the expenditure is accrued as soon as the recipient is notified of the grant and there is a reasonable expectation that it will be paid. Where grants are pledged, but payment is conditional on the performance of the recipient, the amount is not recognised as an expense until the conditions have been fulfilled. However, an amount equivalent to that pledged is transferred to a designated reserve.

### (e) ALLOCATION OF COSTS

Costs which are directly attributable to a single activity are allocated directly to that activity. Shared costs which contribute directly to more than one activity are apportioned between those activities on the basis of usage by each activity.

**Support costs** represent the remaining costs that are not capable of direct attribution. They have been allocated between the categories of raising funds and charitable activities in accordance with the basis specified in Note 7.

Governance costs, which represent the expenses of Trustees' meetings and legal and professional fees related to the running and management of the Charity (including external audit fees), are included within the heading of support costs.

The allocation process involves a significant element of judgement as the charity has to consider the cost of detailed calculations and record keeping with the resultant benefit.

### (f) OPERATING LEASES

Rentals payable and receivable under operating leases are charged/credited in the Statement of Financial Activities on a straight line basis over the period of the lease.

### (g) TANGIBLE FIXED ASSETS INCLUDING HERITAGE ASSETS

Freehold land, comprising the allotments and cricket club land, are included at their estimated open market value based on a professional valuation which is usually undertaken every three years. The last such valuation was carried out at 31 December 2016 and a revaluation was, therefore, due as at 31 December 2019. However, due to the uncertainty created in the property markets by the global Covid-19 pandemic, the Trustees have decided to delay commissioning a valuation until 31 December 2020. It is hoped that by this date the property market will have settled enabling a more realistic valuation to be obtained for the financial statements of that and the two subsequent years. Any unrealised gains or losses are credited or charged to the SOFA as they arise. No depreciation is provided on such assets.

The Old Grammar School, as more fully explained in Note 11, is a Heritage Asset which forms part of the Charity's Permanent Endowment. There is no record of the original cost of the building and the Trustees consider that there are no suitable or cost-effective techniques available to ascertain a reliable valuation for the property. Accordingly, no cost or valuation is attributed to the property in these financial statements.

All other assets are recorded at cost/valuation less accumulated depreciation. The cost of minor additions to fixed assets, defined as those costing less than £2,000 each, are expensed in the year in which they are incurred.

Depreciation is provided at rates calculated to write off the cost/valuation, less estimated residual value, of each asset on a straight line basis over its estimated useful life as follows:

Freehold property for operational use	- over 50 years
Improvements to cricket club buildings	- over the period of the lease to the cricket club
Almshouse buildings	- over 50 years
Almshouse fixtures	- over 7 years
Office equipment	- 25% per annum

The depreciation charge of assets held with Endowment Fund is charged to that fund. All other depreciation is charged to the General Fund.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### (h) INVESTMENTS

Investments comprise investment properties and securities held within an investment portfolio and are initially recorded at their transaction price (including costs).

Investment properties are subsequently recorded at their estimated open market value at the end of each financial year. This estimate is based on an independent formal valuation, which is usually undertaken every three years, and by the trustees in the intervening years based on independent advice from a desktop review of the most recent formal valuation. The last formal valuation was undertaken as at 31 December 2016 and, for the reasons described above in relation to freehold land, the next valuation will be as at 31 December 2020. Investment properties are not depreciated.

Investments within the portfolio are revalued annually at their market value on the last day of the financial year. All investments are a form of basic financial instrument which are traded in quoted public markets. The Charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains and losses on investments are calculated as the difference between the sale proceeds and their market value at the start of the year, or subsequent cost. Unrealised gains and losses represent the movement in market values between valuations. Both types of gains and losses are credited or charged to the Statement of Financial Activities in the year of gain or loss.

### (i) DEBTORS AND CREDITORS RECEIVABLE/PAYABLE WITHIN ONE YEAR

Debtors and creditors receivable and payable within one year are recorded at transaction price. Any losses arising from impairment are included within expenditure.

### (j) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of change in value.

Whilst cash held by investment managers awaiting investment is in this category, such balances are included in the balance sheet within the value of the investment portfolio.

### (k) FUND ACCOUNTING

The Charity has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

**Unrestricted funds** comprise those funds which the Trustees are free to use in accordance with the Charity's objectives.

**Designated funds** are unrestricted funds which the Trustees have earmarked for particular purposes. Details of the nature and purpose of each designated fund is set out in Note 16. Transfers from general funds to designated funds are stated at amounts that the trustees deem necessary to meet their known and anticipated future obligations.

**Restricted income funds** are funds which have restrictions placed on them by the donor that require them to be spent only for specified purposes.

**Endowment Funds** are capital funds which the Trustees cannot spend. The income arising from the endowment funds is unrestricted.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES	2019		2018	
	£		£	
Contributions from almshouse tenants	77,382		72,619	
Old Grammar School rent	5,800		2,438	
Allotment rents	4,930		4,555	
Market Harborough Cricket Club rental income	6,490		6,490	
Countryside Stewardship & other SSSI grants	3,738		-	
	<u>98,340</u>		<u>86,102</u>	
3 INVESTMENT INCOME	2019		2018	
	£		£	
<b>From investment properties:</b>				
Rental income from commercial High Street properties	90,000		88,901	
Farm Land	8,512		8,513	
	<u>98,512</u>		<u>97,414</u>	
<b>From investment portfolio:</b>				
Interest on UK fixed interest securities and Treasury stock	9,731		9,217	
Dividends receivable from equity shares	123,263		116,217	
Dividends receivable from collective investment funds	278,997		253,466	
Dividends receivable from COIF Units	146,454		144,835	
Interest on cash deposits	1,889		1,523	
	<u>560,334</u>		<u>525,258</u>	
4 EXPENDITURE ON RAISING FUNDS	2019		2018	
	£	£	£	£
<b>GENERAL FUND</b>				
<b>Commercial property management</b>				
Steward's salary & on-costs	2,794		8,977	
Secretarial salaries & on-costs	2,222		305	
Insurance	1,601		1,371	
Repairs and maintenance	504		44,224	
Legal & professional fees	576		4,924	
Support costs (Note 7)	13,854		16,392	
		21,551		76,193
<b>Investment management</b>				
Steward's salary & on-costs	70		224	
Secretarial salary & on-costs	-		305	
Investment manager's fees	7,214		7,280	
Support costs (Note 7)	4,114		4,267	
		11,398		12,076
<b>Website &amp; other promotional costs</b>		4,583		307
		<u>37,532</u>		<u>88,576</u>
<b>ENDOWMENT FUND</b>				
<b>Investment management</b>				
Investment manager's fees	41,668		41,598	
Investment property management fees	3,060		2,100	
Steward's salary & on-costs	-		-	
Support costs (Note 7)	-		-	
<b>Cricket Club</b>				
Depreciation of changing rooms	5,385		5,385	
		<u>50,113</u>		<u>49,083</u>
<b>TOTAL EXPENDITURE ON RAISING FUNDS</b>		<u>87,645</u>		<u>137,659</u>

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 5 EXPENDITURE ON PROVISION OF GRANT FUNDING

2019

2018

#### GENERAL FUND

#### Grants to institutions or for specific purposes

Institution	Purpose of grant	£	£
Voluntary Action South Leicestershire	Funding of drivers for transport scheme	33,750	
Market Harborough Medical Centre	Mental Health Initiative	30,000	
Harborough District Leisure Trust	Ageing well - Education on falling	26,235	
Bowden Cricket Club	Replacement cricket nets & artificial pitch	26,000	
Welland Park Academy	Refurbishment of Sports Hall	20,000	
Home-Start South Leicestershire	Family Know-How Project	20,000	
Home-Start South Leicestershire	Post Natal Illness Project	20,000	
Meadowdale Primary School	Forest School	20,000	
Harborough Christian Counselling Service	Operating costs over a five year period	12,500	
Market Harborough PCC	Structural repairs to Church Steeple	9,000	
LOROS	End of Life Support Patient Unit	8,980	
Market Harborough Baptist Church	Refurbishment of Church Hall & Kitchen	7,338	
Market Harborough Methodist Church	Youth project worker	6,250	
Harborough Band	Tuba and music stands	6,000	
Harborough Anglican Team	Training of three Youth Workers	5,936	
Parish of the Transfiguration - Little Bowden	Repairs to St Nicholas Church	5,400	
Harborough Christian Counselling Service	Counselling & Psychotherapy Training	5,000	
Market Harborough & District Scouts	Costs of attending World Scout Jamboree	5,000	
Market Harborough in Bloom	Equipment purchase & kitchen refurbishment	4,926	
South Leics. Mobile Toy Library	Contribution to annual running costs	4,750	
Little Bowden Bowling Club	Refurbishment of bowling green	4,000	
HCCYC	Projects for children and young people	4,000	
Harborough Fayres CIC	Late Night Shopping event	3,150	
Others, each £3,000 and under	Various - 28 in total	39,422	
		<hr/>	
		327,637	207,102
<b>Part repayment of grants made in previous periods:</b>			
Market Harborough Town Football Club	Clubhouse redevelopment	(1,626)	(6,504)
		<hr/>	<hr/>
		326,011	200,598
<b>Education Bursary Fund Grants</b>	£20,000 to each of 3 Academies	60,000	-
<b>Grants to Church of St. Peter &amp; St. Paul, Great Bowden - Repairs &amp; maintenance</b>		10,543	26,953
<b>Grants to individuals</b>			
Educational fund (141, 2018: 86)		118,979	103,018
Relief in Need £1,000 and over (15, 2018: 12)		27,030	41,938
Relief in Need less than £1,000 (42, 2018: 37)		14,786	10,124
		<hr/>	<hr/>
<b>Total grants paid</b>		557,349	382,631
<b>Steward's fees &amp; associated costs</b>		70	224
<b>Secretarial salary &amp; on-costs</b>		22,699	16,029
<b>Facilitator salary &amp; on-costs</b>		-	4,354
<b>Caseworker's costs</b>		195	667
<b>Development of database management system for processing grant claims</b>		-	3,900
<b>Communications strategy, advertising and website development costs</b>		9,673	2,955
<b>Miscellaneous costs (including grant plaques)</b>		-	130
<b>Support costs (Note 7)</b>		54,422	41,434
<b>Total</b>		<hr/>	<hr/>
		644,408	452,324

Further analysis of grants paid in the year by nature of activity being supported is contained within the Report of the Trustees.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 6 EXPENDITURE ON OTHER CHARITABLE ACTIVITIES

		2019		2018	
		£	£	£	£
<b>GENERAL FUND</b>					
<b>Almshouses:</b>	Steward's salary & on-costs	349		1,122	
	Secretarial salary & on-costs	4,993		4,633	
	Insurance	965		826	
	Utilities (including lifeline)	16,762		14,180	
	Repairs and maintenance	56,975		86,522	
	Council Tax in void period & other miscellaneous costs	275		2,010	
	Website & promotional costs	4,583		307	
	Legal & professional fees	192		1,268	
	Depreciation of fixtures & fittings	1,832		1,832	
	Support costs (Note 7)	14,166		9,795	
			101,092		122,495
<b>Old Grammar School:</b>	Steward's salary & on-costs	70		224	
	Secretarial salary & on-costs	2,771		1,523	
	Insurance	1,369		1,173	
	Repairs, maintenance & utilities	11,502		11,719	
	Legal & professional fees	64		1,032	
	Support costs (Note 7)	6,361		2,495	
			22,137		18,166
<b>Allotments:</b>	Steward's salary & on-costs	70		225	
	Secretarial salary & on-costs	2,772		4,632	
	Repairs and maintenance	1,908		5,685	
	Website & promotional costs	4,583		307	
	Legal & professional fees	478		2,378	
	Water & miscellaneous expenses	2,071		711	
	Support costs (Note 7)	6,360		5,966	
			18,242		19,904
<b>Site of Special Scientific Interest:</b>	Steward's salary & on-costs	70		224	
	Repairs and maintenance	2,293		2,828	
	Legal & professional fees	192		1,707	
	Support costs (Note 7)	200		305	
			2,755		5,064
			144,226		165,629
<b>ENDOWMENT FUND</b>					
<b>Depreciation of Almshouses</b>			16,258		16,258
			16,258		16,258
<b>TOTAL ALL FUNDS</b>			160,484		181,887

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 7 ANALYSIS AND ALLOCATION OF SUPPORT COSTS

Support costs, as detailed below, have been allocated to resources expended as follows:

	Support Costs				
	Governance Costs £	Office Costs £	Accounts & Finance £	Total £	2018 Total £
<b>RESOURCES EXPENDED:</b>					
<b>General Fund:</b>					
<b>Expenditure on raising funds :</b>					
Commercial property management	4,658	5,282	3,914	13,854	16,392
Investment management	94	106	3,914	4,114	4,267
<b>Expenditure on Charitable Activities:</b>					
Grants payable	21,835	24,758	7,829	54,422	41,434
Almshouses	5,171	5,863	3,132	14,166	9,795
Old Grammar School	2,797	3,172	392	6,361	2,495
Allotments	2,797	3,172	391	6,360	5,966
SSSI	94	106	-	200	305
<b>Endowment Fund:</b>					
<b>Expenditure on raising funds :</b>					
Commercial property management	-	-	-	-	-
Other investment management	-	-	-	-	-
	37,446	42,459	19,572	99,477	80,654

#### Bases for support cost allocation:

Support costs are allocated between the various activities representing resources expended on the following bases:

<b>Governance costs</b>	Estimated time spent on each activity by the charity steward & secretaries
<b>Secretarial support and office costs</b>	Estimated time spent on each activity by the charity steward & secretaries
<b>Accounts &amp; finance</b>	Estimated time spent on each activity by the charity accountants

The cost allocation includes an element of judgement as the charity has to consider the cost of detailed calculations and record keeping compared with the resultant benefit.

Governance costs included within support costs comprise:	2019 £	2018 £
Steward's fees & associated costs	3,492	11,222
Secretarial salary & on-costs	19,972	9,396
Legal and professional fees	8,806	12,590
Auditors remuneration	3,000	3,000
General insurance	1,382	1,184
Trustee indemnity insurance	614	526
General expenses (including training of trustees)	180	1,067
	<u>37,446</u>	<u>38,985</u>

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 8 AUDITORS' REMUNERATION

The amounts payable to the Auditors', Edward Thomas Peirson & Sons, were as follows:

	2019	2018
	£	£
For audit services	3,000	3,000
For other assurance services	19,572	18,469
Total	<u>22,572</u>	<u>21,469</u>

The other assurance services provided by Edward Thomas Peirson & Sons included: preparation of the financial statements for the year; assistance to the Trustees in the financial management of the charity's affairs by the preparation of quarterly management accounts; and payroll services.

No member of the firm's audit team was involved in the provision of these other services.

### 9 TRUSTEES' REMUNERATION AND REIMBURSED EXPENDITURE

None of the trustees received remuneration for their services in the year or preceding year.

Aggregate expenses of £1,046 were reimbursed during the year to one trustee (2018: £49 to one trustee). The reimbursed expenses in the both years related to sundry goods/services paid for on behalf of the charity.

Trustee indemnity insurance is included as part of the charity's overall insurance and the amount charged in these financial statements in this respect is £614 (2018: £526).

### 10 STAFF NUMBERS AND COSTS

The number of employees of the charity were as follows:

Activity	Involvement	2019	2018
Steward	Part time - Three days per week (Until 6 April 2019)	1	1
Secretarial	Full time	1	1
	Part time - Approx. 2.5 days per week	1	1
Grant			
Facilitator	Part time - Two days per week (Until April 2018)	0	1

The aggregate payroll cost in respect of these employees was as follows:

	2019	2018
	£	£
Salaries	53,607	60,790
National Insurance Costs	3,959	4,850
Pension contributions	1,168	979
	<u>58,734</u>	<u>66,619</u>
Employment Allowance	(2,561)	(3,000)
	<u>56,173</u>	<u>63,619</u>

No employee had employment benefits in excess of £60,000 (2018: None).

The salary costs shown above include termination payments of £5,957.

The Steward and the Trustees are considered to be the key management personnel of the charity and the total amount paid for their services in the year (including national insurance and pension costs) was £7,003 (2018: £23,607).

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 11 TANGIBLE FIXED ASSETS

	Freehold Property for Operational Use £	Freehold Allotments Cricket Club & Other Land £	Almshouses Freehold Land & Buildings £	Fixtures & Fittings £	Office Equipment £	Total £
<b>Cost or Valuation</b>						
Brought forward	245,000	1,775,000	756,000	28,165	12,363	2,816,528
Additions at Cost	-	-	-	-	10,187	10,187
Disposals	-	-	-	-	-	-
At 31 December 2019	245,000	1,775,000	756,000	28,165	22,550	2,826,715
<b>Cumulative Depreciation</b>						
Brought forward	6,138	27,260	32,516	19,614	12,363	97,891
Charge for the year	3,068	5,385	16,258	1,832	2,290	28,833
Eliminated on Disposal	-	-	-	-	-	-
At 31 December 2019	9,206	32,645	48,774	21,446	14,653	126,724
<b>Net Book Value</b>						
At 31 December 2019	235,794	1,742,355	707,226	6,719	7,897	2,699,991
At 31 December 2018	238,862	1,747,740	723,484	8,551	-	2,718,637

Cost or valuation at 31 December 2019 is represented by:

<b>Valuation</b>						
31 December 2016	245,000	1,715,000	756,000	-	-	2,716,000
<b>Cost</b>						
	-	60,000	-	28,165	22,550	110,715
	245,000	1,775,000	756,000	28,165	22,550	2,826,715

#### Basis for inclusion in the accounts

Freehold property for operational use is the premises at 10, Fairfield Road, Market Harborough which the charity purchased and subsequently redeveloped and refurbished as the charity's office. Depreciation commenced when the premises were first brought into use. No depreciation was provided on the estimated land value of £100,000, which is included in the total cost/valuation at the start of the year.

All of the freehold properties were revalued, with effect from 31 December 2016, at their open market value by Mr J.G. Jacobs FRICS of Jim Jacobs Planning and Property Consultants Ltd, Chartered Surveyors. In addition, included within the cost or valuation of Allotments, Cricket Club & Other land, is £60,000 representing the cost to the charity of its contribution, as landlord, to the construction of new changing rooms for the Cricket Club and an extension of the courts to its Squash section. Depreciation of these costs commenced on the completion of the relevant works using a straight line basis over the remaining period of the lease.

The Trustees are advised that, on the basis of regional market trends and market evidence the aggregate value of the assets at 31 December 2019 would be approximately £120,000 higher than at the date of the most recent formal valuation.

Had the properties not been revalued they would have been included at the following historical cost:

	As At 31 December 2019			As At 31 December 2018		
	Property for Operational Use £	Allotments Cricket Club & Other Land £	Almshouses £	Property for Operational Use £	Allotments Cricket Club & Other Land £	Almshouses £
Cost	257,470	68,962	231,697	257,470	68,962	231,697
Aggregate depreciation	18,097	32,644	134,644	14,947	27,260	131,779
Net Book Value	239,373	36,318	97,053	242,523	41,702	99,918



# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 11 TANGIBLE FIXED ASSETS (continued)

#### Heritage Assets

In addition to the assets shown above, the Charity owns a 17th Century building known as the Old Grammar School, Market Harborough, which was vested in the Charity during 2005 together with the other assets of the Market Harborough Exhibition Foundation Charity. The Old Grammar School is a local landmark and a listed building of significant historical and architectural importance, which the Trustees intend will form part of the Charity's permanent endowment to be maintained and preserved for its cultural significance to the town. The Charity makes the building available for hire by the public, on a daily basis, in exchange for a specified contribution towards the annual running costs.

There is no information readily available as to the original cost of the building and the Trustees consider that there are no suitable techniques available to ascertain a reliable valuation for the property, certainly not without involving the Charity in significant costs which would outweigh any benefit.

As a result, in accordance with the permitted treatment for heritage assets in SORP (FRS 102) the Old Grammar School is not recognised as an asset in the Charity's balance sheet.

### 12 INVESTMENT PROPERTIES

	31-Dec-19	31-Dec-18
	£	£
Valuation at the beginning of the year	2,658,891	2,567,250
Additions at cost	-	-
Unrealised gains/(losses) on revaluation	(85,216)	91,641
Valuation at the end of the year	<u>2,573,675</u>	<u>2,658,891</u>
Historical cost at the end of the year	<u>562,312</u>	<u>562,312</u>

The investment properties comprise various parcels of land and four retail shops, of which three have been converted into one, situated in High Street, Market Harborough. A formal open market valuation of these assets was undertaken by Mr J.G. Jacobs FRICS of Jim Jacobs Planning and Property Consultants Ltd., Chartered Surveyors as at 31 December 2016 and was incorporated in the financial statements at that date. The Trustees have revalued the assets as at 31 December 2019 following a review undertaken by Mr Jacobs as to movement in land and property prices in the locality over the year.

The Land in the charity's ownership includes:

Approximately 116.65 acres of farm land which is let to tenants under a Farm Business Tenancy. The property is subject to a restrictive covenant in favour of two predecessors in title whereby, in the event of any subsequent non-agricultural development being permitted, the charity will be required to pay 33% of any defined increase in value. The covenant extends to forty years from the date of grant;

Land situated a short distance to the north of Great Bowden village comprising 13.03 acres of grassland, which is let on seasonal grazing licences, and 6.45 acres which has been designated a Site of Special Scientific Interest ("SSSI"). The SSSI is subject to control by English Nature and the charity works closely with the Leicestershire and Rutland Wildlife Trust in ensuring that the ecological value of the site is protected and where possible enhanced. This land is subject to a similar restrictive covenant to that described above in relation to the farm land.

Two small permanent pasture paddocks situated close to the western fringe of Market Harborough town. One of these paddocks is subject to a fifty-year covenant in favour of the predecessor in title which commits the charity to pay away 33% of any uplift in value as a result of subsequent development beyond agricultural use; and

Various strips of land retained by the charity following previous significant land sales. Certain of these strips provide a possible means of access and services from adopted highways into potential development land which is not within the charity's ownership. In particular, a developer has recently expressed an interest in renewing a previous option (now expired) granting them the right to acquire the ransom strip in the event that the developer obtains planning permission for development on certain adjacent property, entry to which would be serviced over the ransom strip. However, at the present time in view of the uncertainties affecting their value, the trustees have decided not to attribute any value to them in these financial statements.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 13 INVESTMENT PORTFOLIO

	31-Dec-19	31-Dec-18
	£	£
Market value at the beginning of the year	13,968,952	14,998,740
Acquisitions at cost	1,495,493	1,829,641
Sales proceeds from disposals	(1,606,492)	(1,850,540)
Realised gains/(losses) on disposals	105,253	27,162
Unrealised gains/(losses) on revaluation	1,602,507	(1,036,051)
	<u>15,565,713</u>	<u>13,968,952</u>
Cash at bank on deposit/awaiting investment	146,062	83,185
Market value at the end of the year	<u>15,711,775</u>	<u>14,052,137</u>
Historical cost at the end of the year	<u>12,341,726</u>	<u>12,161,088</u>

All investments are UK listed and are represented by:

All investments are UK listed and are represented by:		31-Dec-19		31-Dec-18	
		£	%	£	%
<b>Managed by Cave &amp; Sons</b>					
<b>(no individual holding exceeds 5% of the total portfolio)</b>					
UK Fixed interest securities and Treasury stock		301,994	1.92%	325,866	2.32%
UK Equity shares		1,059,090	6.74%	890,044	6.33%
UK investment trusts, unit trusts and OEIC's		2,274,958	14.48%	2,067,432	14.71%
Overseas equities		200,233	1.27%	177,783	1.27%
Cash on deposit		11,247	0.07%	11,234	0.08%
<b>Managed by Cazenove Capital Management</b>					
UK Bond funds	Schroder Sterling Corporate Bond	411,320	2.62%	372,680	2.65%
International Bond funds	Schroder ISF Strategic Credit C	347,549	2.21%	332,791	2.37%
UK Equity funds:	Equity Income Trust for Charities	1,103,105	7.02%	1,638,100	11.66%
	Trojan Income Fund (Class S)	728,673	4.64%	630,019	4.48%
Overseas Equity funds	Findlay Park American Fund Inc.	1,093,680	6.96%	881,640	6.27%
	M&G Global Dividend Inc.	876,536	5.58%	757,109	5.39%
	Fidelity Global Dividend Fund (Class W	601,794	3.83%	-	0.00%
	Schroder Asia Alpha Plus	482,260	3.07%	423,402	3.01%
	Schroder European Alpha Inc.	221,013	1.41%	198,192	1.41%
	Blackrock Asian Dragon Fund	150,660	0.96%	128,880	0.92%
	Hermes Asian Ex-Japan Equity Fund	142,090	0.90%	132,635	0.94%
Property Funds	The Charities Property Fund	571,766	3.64%	577,502	4.11%
Portfolio Funds	Troy Asset Mgt Trojan Fund S Inc.	520,826	3.31%	474,435	3.38%
Cash on deposit		134,815	0.86%	71,951	0.51%
<b>Managed by CCLA Investment Management</b>					
COIF Charities property fund		946,144	6.02%	972,615	6.92%
COIF UK Fixed interest fund		97,444	0.62%	94,454	0.67%
COIF Investment fund	Income Units	2,768,487	17.62%	2,348,538	16.71%
COIF Investment fund	Accumulation Units	406,091	2.58%	333,831	2.38%
COIF Global equity fund		260,000	1.67%	211,004	1.51%
		15,711,775	100.00%	14,052,137	100.00%

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 13 INVESTMENT PORTFOLIO (continued)

The investments in the portfolio are carried at their fair value which is the quoted market value in respect of equities and fixed interest securities and the bid price for units in common investment funds, unit trusts and open-ended investment companies. Investment sales and purchases are recognised at the date of trade at their transaction value, net of costs in the respect of sales and inclusive of costs in respect of purchases.

All investments are basic financial instruments traded on quoted public markets, primarily the London Stock Exchange. The Charity does not make use of derivatives and similar complex financial instruments as the Trustees take the view that investments are held for their longer term yield and total return and that any short-term volatility in the markets will normally be corrected in any five year period.

The significance of investments to the ongoing financial stability of the Charity is further discussed in the sections of the Report of the Trustees dealing with Investment Policy and Financial Review. As can be seen from the Statement of Cash Flows, the Charity relies on income from its investments to cover costs used in its operating activities and also on capital growth to ensure that the long-term value of the Endowment Fund keeps pace with inflation.

Investment returns are exposed to various risks which include credit, liquidity and market risks. Both credit and liquidity risks are assessed as low as the Charity invests predominantly in blue-chip securities in which the failure rate is historically low and all investments are traded on markets in which central banks and other regulators have an interest in ensuring continuation of orderly trading.

Market risk is the principal risk faced by the Charity due to a combination of uncertainty in investment markets and volatility in yields. Prior to the end of the year there was concern that UK growth will slow as "Brexit" uncertainties reduce investment and higher inflation, resulting from reduction in the value of Sterling, reduces consumer spending. The weakening in exchange rates was, however, expected to improve Sterling returns from holdings, such as those within collective investments, which are denominated in foreign currencies. Subsequent to the end of the year these concerns have been largely replaced by those concerning the impact of the Covid-19 global pandemic which are further discussed at Note 1(b). Interest rates remain at an all time low and are expected to remain so for the foreseeable future.

The Trustees manage these risks by retaining the expert services of three separate fund managers, as shown in the above analysis of the portfolio, and in operating an investment policy which provides for a high degree of diversification of holdings within investment asset classes providing for a balance of income and long-term capital growth.

14 DEBTORS	31-Dec-19	31-Dec-18
	£	£
Accrued income	5,581	3,760
Prepayments	5,514	6,081
Income tax recoverable	5,202	12,858
	<u>16,297</u>	<u>22,699</u>

Accrued income includes £2,565 (2018: £3,040) and Income tax recoverable includes £4,765 (2018: £12,858), which is attributable to cash flows from investing activities.

### 15 CREDITORS PAYABLE WITHIN ONE YEAR

	31-Dec-19	31-Dec-18
	£	£
Accruals	57,063	40,854
Other creditors	28,896	27,405
Taxation & Social Security	-	1,174
	<u>85,959</u>	<u>69,433</u>

Included within the heading of accruals are grants payable with a total value of £1,608 (2018: £4,952)

Other creditors include £24,027 (2018: £24,027) which is attributable to cash flows from investing activities.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 16 STATEMENT OF FUNDS

	At 1 January 2019 £	Income £	Expenditure £	Realised and Unrealised Gains or (Losses) £	Transfers from Designated Funds £	Transfers to Designated Funds £	At 31 December 2019 £
<b>Unrestricted funds:</b>							
<b>General funds</b>							
Revenue	728,645	760,370	(826,166)	158,758	299,409	(600,051)	520,965
<b>Designated funds</b>							
For Grants:							
Charitable grants	398,070	-	-	-	(389,409)	612,551	621,212
Church of. St. Peter & St. Paul, Great Bowden	50,000	-	-	-	-	-	50,000
Relief in Need grants	90,000	-	-	-	-	-	90,000
Educational grants	185,000	-	-	-	-	47,500	232,500
Educational bursary	-	-	-	-	90,000	(60,000)	30,000
For Repairs:							
Allotments & Commercial Properties:							
Extraordinary repair	30,000	-	-	-	-	-	30,000
Almshouse:							
Extraordinary repair	40,000	-	-	-	-	-	40,000
Old Grammar School:							
Extraordinary repair	10,000	-	-	-	-	-	10,000
<b>Restricted fund:</b>							
<b>Income fund</b>	-	6,087	-	-	-	-	6,087
<b>Endowment fund</b>	18,309,562	-	(66,371)	1,463,786	-	-	19,706,977
	<b>19,841,277</b>	<b>766,457</b>	<b>(892,537)</b>	<b>1,622,544</b>	<b>-</b>	<b>-</b>	<b>21,337,741</b>

**General Funds** are unrestricted funds that the Trustees are free to use in accordance with the objects of the charity.

**Designated Funds** are unrestricted funds that have been earmarked by the Trustees for particular purposes. These purposes fall into two categories: the payment of grants; and future repairs and maintenance. Specifically they are as follows:

#### Charitable Grants:

The charitable grants relate to amounts pledged by the Trustees for charitable purposes where no binding commitment exists at the balance sheet date. Transfers are made to this fund from the general fund for amounts pledged in the year which have not been paid by the year end. A transfer is made from this fund to the general fund for amounts pledged in previous years which have either been paid in the year or where the pledge has been withdrawn.

#### Church of St. Peter & St. Paul, Great Bowden:

One of the Charity's objects is the maintenance and repair of the fabric of the Parish Church of the ecclesiastical parish of St. Peter and St. Paul, Great Bowden. The income to be applied for this purpose must not exceed 20% of the Charity's income in any three year period. A designated reserve for the purpose of meeting this expenditure is maintained at a level to ensure that the charity has sufficient funds to meet its ongoing obligations based on advice from representatives of the P.C.C.

#### Relief in Need grants:

The charity makes donations to individuals to relieve need, hardship and distress, which are referred to as Relief in Need grants. In order to ensure that sufficient funds are available to continue to meet such needs, the Trustees have agreed to maintain a reserve approximately equivalent to the Relief in Need grants paid in the last three years.

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 16 STATEMENT OF FUNDS (continued)

Educational grants and bursary funds:

The Trustees invite applications from individuals for assistance with tuition fees and expenses for a first degree at a British university and for equipment and costs associated with apprenticeships and vocational training. A fund is maintained at a value which will enable the charity to meet its obligations to pay the fees of the successful applicants over the remainder of their courses. In addition, a fund is maintained to enable the charity to award bursaries, over a three year period, of up to £180,000 per annum, to schools within the area of benefit. This equates to a maximum of £20,000 per school per annum and the bursaries may be used for a wide range of educational purposes.

Repair funds:

The Extraordinary Repair Funds are established to cover the cost of non routine maintenance of the charity's properties.

Separate repair funds are maintained in respect of: the Allotments & Commercial Properties; and the Almshouses.

Amounts are transferred to these funds and are released back to the General Fund as the Trustees consider appropriate to offset the cost of non routine maintenance on the properties. The aggregate funds are to be maintained between a minimum of £50,000 and a maximum of £100,000.

An extraordinary repair fund is maintained for the Old Grammar School. The Old Grammar School is an ancient building which is in regular need of maintenance and repair. Following a major restoration project which was completed during 2014, the current ongoing commitment for expenditure has been substantially reduced and this is reflected in the level of reserves maintained for this purpose.

**Restricted income funds** represent funds donated to the Charity by the Market Harborough Musical Theatre on the understanding that they are to be applied to support performing arts in the area of benefit.

**The Endowment Fund** represents the permanent capital of the Charity. These funds must be held indefinitely and the Trustees have no power to convert the capital into funds which may be spent.

The movements in funds in the previous financial year were as follows:

	At 1 January 2018	Income	Expenditure	Realised and Unrealised Gains or (Losses)	Transfers from Designated Funds	Transfers to Designated Funds	At 31 December 2018
	£	£	£	£	£	£	£
<b>Unrestricted funds:</b>							
<b>General funds</b>							
Revenue	1,175,515	711,277	(706,529)	(9,058)	211,152	(653,712)	728,645
<b>Designated funds</b>							
For Grants:							
Charitable grants	55,510	-	-	-	(211,152)	553,712	398,070
Church of. St. Peter & St. Paul, Great Bowden	50,000	-	-	-	-	-	50,000
Relief in Need grants	90,000	-	-	-	-	-	90,000
Educational grants	85,000	-	-	-	-	100,000	185,000
For Repairs:							
Allotments & Commercial Properties:							
Extraordinary repair	30,000	-	-	-	-	-	30,000
Almshouse:							
Extraordinary repair	40,000	-	-	-	-	-	40,000
Old Grammar School:							
Extraordinary repair	10,000	-	-	-	-	-	10,000
<b>Endowment fund</b>	19,283,093	-	(65,341)	(908,190)	-	-	18,309,562
	<b>20,819,118</b>	<b>711,277</b>	<b>(771,870)</b>	<b>(917,248)</b>	<b>-</b>	<b>-</b>	<b>19,841,277</b>

# MARKET HARBOROUGH AND THE BOWDENS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

As at 31 December 2019	General Fund £	Designated Funds £	Restricted Fund £	Endowment Fund £	Total £
Tangible fixed assets	250,410	-	-	2,449,581	2,699,991
Investment properties	-	-	-	2,573,675	2,573,675
Investment portfolio	-	1,088,785	-	14,476,928	15,565,713
Cash held for investment	-	-	-	146,062	146,062
Sundry Debtors	16,297	-	-	-	16,297
Cash at Bank on Deposit	329,556	14,927	6,087	71,196	421,766
Cash in hand	196	-	-	-	196
Current Liabilities	(75,494)	-	-	(10,465)	(85,959)
Total Net Assets	520,965	1,103,712	6,087	19,706,977	21,337,741

As at 31 December 2018	General Fund £	Designated Funds £	Restricted Fund £	Endowment Fund £	Total £
Tangible fixed assets	247,413	-	-	2,471,224	2,718,637
Investment properties	-	-	-	2,658,891	2,658,891
Investment portfolio	126,957	803,070	-	13,038,925	13,968,952
Cash held for investment	-	-	-	83,185	83,185
Sundry Debtors	22,699	-	-	-	22,699
Cash at Bank on Deposit	390,978	-	-	67,254	458,232
Cash in hand	114	-	-	-	114
Current Liabilities	(59,516)	-	-	(9,917)	(69,433)
Total Net Assets	728,645	803,070	-	18,309,562	19,841,277

### 18 OPERATING LEASE COMMITMENTS

The total minimum lease payments to which the Charity is committed under an operating lease for office equipment is shown below:

	31-Dec-19 £	31-Dec-18 £
<b>Payments due:</b>		
Within one Year	-	-
In two to five years	2,294	2,868
Total	2,294	2,868

Lease payments recognised as an expense in the Statement of Financial Activities amounted to £574 (2018: £610).

### 19 OTHER FINANCIAL COMMITMENTS

Commitments for the acquisition of tangible fixed assets, which were contracted for but not provided in the financial statements, amounted to £Nil (2018: £7,762).

### 20 RELATED PARTY TRANSACTIONS

At various times during the year the Charity has received applications for grants from other charitable organisations which have certain trustees in common with the Charity. In accordance with the Charity's procedures, the relevant trustees declared their interest and did not take part in any of the discussions relating to the grant application.

There were no other transactions with related parties during the year or the preceding financial year.