

**THE DOWNFORCE TRUST**  
**ANNUAL REPORT AND INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2022**

# THE DOWNFORCE TRUST

## CHARITY INFORMATION

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Trustees	Dr Adam Parr (Chair) Merrick Hugh Denton-Thompson OBE (appointed 25/08/2022) Matthew Mungo Tristram Soggot (appointed 25/08/2022) Charles Brecque (resigned 24/08/2023) Mary Catherine DiNunzio (resigned 24/08/2023)
Charity Registration Number	1187541
CIO Number	CE020425
Registered Office	2 Littlegate Street Oxford OX1 1QT
Independent Examiner	Amir Absoud, FCA Upstreamly Chartered Accountants 7 Albert Buildings 49 Queen Victoria Street London EC4N 4SA

# THE DOWNFORCE TRUST

## CONTENTS

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	<b>Page</b>
Trustees' Report	1 – 2
Statement of Responsibilities	3
Independent Examiner's report	4
Statement of Financial Activities	5
Balance Sheet	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 13

**The Downforce Trust  
Trustees' Annual Report  
1 February 2021 – 31 January 2022**

## Objectives and activities

Purposes	Environmental Protection and Improvement.
Main activities	Grant-making, promotion of environmentally-sustainable practices in agriculture, and investment in environmental technologies.
Public benefit	The trustees have had regard to the guidance issued by the Charity Commission on public benefit.

## Achievements and Performance

The Trust focused on agriculture in particular.

### **A. System of Rice Intensification (SRI)**

The Trust made one grant to Cornell University in order to promote Cornell's SRI-RICE programme and began recruiting a team of three to work on promoting SRI, a climate-smart agricultural practice. More information about the Trust's programme can be found at [www.sri-2030.org](http://www.sri-2030.org).

### **B. Downforce® software application**

The Trust completed its funding of R&D into Downforce® (formerly EcoBalance®), an application to measure carbon in soil and land generally, as well as other benefits, using remote sensing data. This meets a need for banks and other lenders and investors, in order for them to be able to fund carbon capture in agricultural land which is by far the most immediate and biggest opportunity for negative emissions (and emissions reductions) available today.

At the start of FY2022, the Trust spun Downforce® out into a subsidiary company, Downforce Technologies Limited, and invested a further £100,000 in the seed funding round. Other investors have contributed over £2 million. At the end of the financial year the Trust's fully-diluted stake was ~41%. Establishing Downforce® as a commercial enterprise has already achieved the objective of attracting a world-class team and funding. If successful, the Trust's interest in Downforce® will create an endowment to finance its future work. More information about the company can be found at [www.downforce.com](http://www.downforce.com).

## Financial Review

The Trust's reserves at the end of the period were £651,000 which is sufficient to fund its future commitments. The Trust is a going concern.

## Structure, governance and management

The Trust is constituted as a CIO whose governing document is its Constitution dated 23 Jan 2020.

New trustees are selected by the trustees from time to time to ensure that the trustees as a whole have the relevant capabilities and experience to oversee the Trust's activities.

### Reference and administrative details

Charity name	The Downforce Trust
Other name the charity uses	Homeland Conservation
Registered charity number	1187541
CIO number	CE020425
Charity's principal address	34 Park Town, Oxford OX2 6SJ

### Names of the trustees who manage the charity



Trustee name	Office (if any)	Appointment/ resignation dates where applicable from start of period to date of signing the accounts
Adam Parr	Chair	
Mary Catherine DiNunzio	Trustee	resigned 24/08/2023
Charles Brecque	Trustee	resigned 24/08/2023
Merrick Hugh Denton-Thompson OBE	Trustee	appointed 25/08/2022
Matthew Mungo Tristram Soggot	Trustee	appointed 25/08/2022

### Declarations

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees:

**Signature**

 Adam Parr (Nov 13, 2023 14:29 GMT)	 Mungo Soggot (Nov 13, 2023 13:43 GMT)
Adam Parr	Mungo Soggot
Chair	Trustee
13.11.23	13.11.23

**Full name**

**Position**

**Date**

# THE DOWNFORCE TRUST

## STATEMENT OF RESPONSIBILITIES

***FOR THE YEAR ENDED 31 JANUARY 2022***

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### **Statement of responsibilities**

The trustees are responsible for preparing the Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts 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 for that year.

In preparing these accounts, the trustees are required to:

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

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

# THE DOWNFORCE TRUST

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE DOWNFORCE TRUST ("THE CIO")

***FOR THE YEAR ENDED 31 JANUARY 2022***

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I report to the trustees on my examination of the accounts of the CIO for the year ended 31 January 2022.

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

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

I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination (other than that disclosed below \*) which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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

*Amir Absoud*

13/11/2023

**Amir Absoud, FCA**

Member of the Institute of Chartered Accountants in England and Wales  
Upstreamly Chartered Accountants  
7 Albert Buildings  
49 Queen Victoria Street  
London EC4N 4SA

# THE DOWNFORCE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 JANUARY 2022**

	Notes	All unrestricted and restricted 2022 funds £	All unrestricted and restricted 2021 funds £
<b>Incoming resources</b>			
Donations and legacies	2	600,000	400,000
Investment income		22	279
<b>Total incoming resources</b>		<b>600,022</b>	<b>400,279</b>
<b>Resources expended</b>			
<b>Expenditure on:</b>			
Charitable activities	3	50,257	273,930
<b>Total resources expended</b>		<b>50,257</b>	<b>126,349</b>
Net gains on investments – disposal of shares in Downforce Technologies Limited		72,931	-
<b>Net income</b>		<b>622,696</b>	<b>126,349</b>
<b>Net movement in funds</b>		<b>622,696</b>	<b>126,349</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward		126,349	-
<b>Total funds carried forward</b>		<b>749,045</b>	<b>126,349</b>

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

All income and expenditure derive from continuing operations.

The Downforce Trust has no funds other than general unrestricted funds.



# THE DOWNFORCE TRUST

(CHARITY NUMBER: 1187541)

## BALANCE SHEET

AS AT 31 JANUARY 2022

	Notes	31 January 2022 £	31 January 2021 £
<b>Fixed Assets</b>			
Social Investments	6	97,963	1
<b>Current assets</b>			
Cash at bank and in hand		651,082	126,349
Debtors		-	-
<b>Liabilities</b>			
Creditors: amounts falling due within one year	7	-	(1)
Net current assets		651,082	126,349
<b>Net assets</b>		<b>749,045</b>	<b>126,349</b>
<b>Funds of the charity</b>			
Unrestricted funds	8	749,045	126,349
<b>Total charity funds</b>		<b>749,045</b>	<b>126,349</b>

All assets and liabilities derive from general unrestricted funds.

The accounts were approved by the Trustees on 13/11/2023.

Dr Adam Parr  
Chair

**THE DOWNFORCE TRUST**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JANUARY 2022**

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash provided by operations	10	549,743	126,071
<b>Cash flows from investing activities</b>			
Interest on cash balances		22	279
Proceeds from sale of investments		74,980	-
Purchase of investments		(100,012)	(1)
<b>Net cash provided by/(used in) investing activities</b>		<b>524,733</b>	<b>126,349</b>
<b>Net cash from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>524,733</b>	<b>126,349</b>
Cash and cash equivalents at beginning of period		126,349	-
<b>Cash and cash equivalents at end of period</b>		<b>651,082</b>	<b>126,349</b>

The notes to the accounts are shown on pages 8 to 13.

# THE DOWNFORCE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JANUARY 2022

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#### 1. Accounting policies

##### 1.1 Charity information

The Downforce Trust is a Charitable Incorporated Organisation ("the CIO") with registration number 1187541 and was registered on 23 January 2020 in England. The Downforce Trust's governing document is its constitution which covers a wide range of areas including charitable objects, trustee meetings, recruitment of trustees, recruitment of members, roles of responsibilities of both members and trustees, dealing with issues and conflicts of interest.

##### 1.2 Basis of preparation

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102 and the Charities Act 2011.

The accounts are prepared in pound sterling, which is the functional currency of The Downforce Trust. Monetary amounts in these accounts are rounded to the nearest pound sterling.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### 1.3 Public benefit entity

The Downforce Trust is a Public Benefit Entity as defined by FRS 102.

##### 1.4 Individual accounts

In England and Wales, any parent charity where the aggregate gross income of the group, the parent charity and its subsidiaries, exceeds £1 million after consolidation adjustments must prepare consolidated accounts. The CIO's along with its investment in Downforce Technologies Limited (a company registered in England and Wales with registered number: 12987689) has not exceeded this gross income threshold for the year ended 31 January 2022 where the investment was a subsidiary. These accounts are thus separate accounts and present information about the CIO as an individual undertaking.

Downforce Technologies Limited is developing an application to measure soil health and soil organic carbon levels, with a view to improve the use of natural capital and ultimately limit climate change. These activities are aligned with the aims of the CIO.

##### 1.5 Going concern

The CIO is reliant on generating income from investments and donations. On the basis of this income and the ongoing activities of the CIO, the Trustees are of the opinion that there are no material uncertainties that the CIO's activities are able to continue for the foreseeable future, being twelve months from the date of approval of the accounts, and therefore have prepared the accounts on a going concern basis.

##### 1.6 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

##### 1.7 Incoming resources

Income is recognised when the CIO is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations and income are recognised on receipt. Other donations are recognised once the charity has been notified of the donation unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

# THE DOWNFORCE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2022

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#### 1.7 Incoming resources (continued)

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

#### 1.8 Resources expended and allocation of support costs

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Charitable expenditure comprises those costs incurred by the CIO in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

The cost of overall direction and administration of each activity, comprising the staff cost and overhead costs of the central function, is apportioned based on staff time, of the amount attributable to each activity.

#### 1.9 Social Investments

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

#### 1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

#### 1.11 Social Investments

Social Investments in subsidiaries and associates are measured using the cost model at cost less impairment. The statement of financial activities includes the net gains and losses arising on disposals of investments throughout the year. Realised gains and losses on disposal are calculated as the difference between sales proceeds and their purchase value. The CIO does not acquire put options, derivatives or other complex financial instruments.

#### 1.12 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

#### 1.13 Creditors

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

#### 1.14 Pensions

The CIO operates a defined contribution scheme. The obligations for contributions to the scheme are recognised as an expense in the period they are incurred.

# THE DOWNFORCE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2022

#### 2 Donations and legacies

	2022 £	2021 £
General donations	600,000	400,000
	<u>600,000</u>	<u>400,000</u>

All donations relate to unrestricted funds.

#### 3 Analysis of resources expended

	Direct costs £	Support costs (note 4) £	Grant funding of activities £	Total costs £
<b>Current year</b>				
System of Rice Intensification (SRI)	6,637	1,704	-	8,341
Downforce® Software	12,850	-	-	12,850
Education & Research	-	-	29,066	29,066
<b>Charitable activities</b>	<b>19,487</b>	<b>1,704</b>	<b>29,066</b>	<b>50,257</b>
	Direct costs £	Support costs (note 4) £	Grant funding of activities £	Total costs £
<b>Prior Year</b>				
System of Rice Intensification (SRI)	-	-	-	-
Downforce® Software	138,933	1,350	-	140,283
Education & Research	-	-	133,647	133,647
<b>Charitable activities</b>	<b>138,933</b>	<b>1,350</b>	<b>133,647</b>	<b>273,930</b>

All grants were paid to institutions to assist with their projects on reducing the climate impact of agriculture and to provide educational content of the same. Please see the Trustees 'report for further details of the grants paid.

All expenditure was unrestricted.

**THE DOWNFORCE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JANUARY 2022**

**4 Analysis of support costs**

<b>Current year</b>	<b>Basis of apportionment</b>	<b>IT £</b>	<b>Governance costs £</b>	<b>Total £</b>
System of Rice Intensification (SRI)	Allocated on time	490	1,214	1,704
Downforce® software	Allocated on time	-	-	-
Education & Research	Allocated on time	-	-	-
<b>Charitable Activities</b>		<b>490</b>	<b>1,214</b>	<b>1,704</b>

<b>Prior year</b>	<b>Basis of apportionment</b>	<b>IT £</b>	<b>Governance costs £</b>	<b>Total £</b>
System of Rice Intensification (SRI)	Allocated on time	-	-	-
Downforce® software	Allocated on time	118	1,232	1,350
Education & Research	Allocated on time	-	-	-
<b>Charitable Activities</b>		<b>118</b>	<b>1,232</b>	<b>1,350</b>

Governance costs comprise £300 (2021: £nil) of independent examination fees; £914 (2021: £1,220) insurance costs; and £nil (2021: £12) general admin fees. No support costs relate to grant-making activities.

**5 Analysis of staff costs and key management personnel**

	<b>2022 £</b>	<b>2021 £</b>
Wages and salaries	6,000	24,570
Social security costs	637	-
Pension costs	-	2,660
Health insurance	-	437
	<b>6,637</b>	<b>27,667</b>

The charity trustees were not paid or received any other benefits from employment with the CIO or its subsidiary in the year (2021: £nil) neither were they reimbursed expenses during the year (2021: £nil).

The average number of employees during the period was nil (2021: one).

No member of staff (2021: nil) received greater than £60,000 in total benefits from the CIO during the year.

The CIO operates a defined contribution pension plan. During the year, £nil (2021: £2,660) was recognised as an expense in relation to this plan. £nil (2021: £nil) remains payable to the pension scheme at the balance sheet date.

# THE DOWNFORCE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2022

#### 6 Social Investments

<b>Cost</b>	<b>Subsidiary Undertaking</b>
	<b>£</b>
At 1 February 2021	1
Additions	100,011
Disposals	(2,049)
Revaluation	-
<b>At 31 January 2022</b>	<b>97,963</b>

All amounts relate to shares in Downforce Technologies Limited ("DTL"), a company limited by shares, registered in England, with registered number 12987689 and whose registered office is Buxton Court, Minns Business Park, Unit 3 West Way, Botley, Oxford, England, OX2 0JB.

The investment is classed as a Mixed Motive Social Investment, held partly for financial gain and partly for the furtherance of the Charity's aims. At the year end, the CIO held 63.1% (2021: 75.0%) of the Ordinary share capital of DTL.

If the investment were accounted for under the equity method, the carrying value would be £nil (2021: £nil) due to losses incurred by DTL during its R&D phase, and the uncertainty of the future profitability of DTL. No dividends or distributions have been received from DTL.

#### 7 Creditors

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Owed to subsidiary undertakings	-	1
	<b>-</b>	<b>1</b>

#### 8 Unrestricted funds

<b>Current year</b>	<b>Balance at 1 February 2021 £</b>	<b>Income £</b>	<b>Gains £</b>	<b>Expenditure £</b>	<b>Balance at 31 January 2022 £</b>
General fund	126,349	600,022	72,931	(50,257)	749,045
	<b>126,349</b>	<b>600,022</b>	<b>72,931</b>	<b>(50,257)</b>	<b>749,045</b>
<b>Prior year</b>	<b>Balance at 23 January 2020 £</b>	<b>Income £</b>	<b>Gains £</b>	<b>Expenditure £</b>	<b>Balance at 31 January 2021 £</b>
General fund	-	400,279	-	(273,930)	126,349
	<b>-</b>	<b>400,279</b>	<b>-</b>	<b>(273,930)</b>	<b>126,349</b>

# THE DOWNFORCE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2022

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#### 9 Related party transactions

During the year, grants of £2,000 (2021: £nil) were paid to Apolitical Group Limited, a company in which one trustee, Dr Adam Parr, was a director. His directorship ceased on 25 August 2021.

There are no other related party transactions (2021: nil).

#### 10 Reconciliation of net income to net cash flow from operating activities

	2022	2021
	£	£
Net income for the reporting period (as per the statement of financial activities)	622,696	126,349
<b>Adjustments for:</b>		
Interest income	(22)	(279)
Net gains on investments	(72,931)	-
Increase in debtors	-	-
Increase in creditors	-	1
<b>Cash (used)/ generated from operations</b>	<b>549,743</b>	<b>126,071</b>