

THE FARMINGTON TRUST LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2011

Registered Company No: 00819630
Registered Charity No: 237934

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THE FARMINGTON TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

for the year ended 31 July 2011

- Charity Name:** The Farmington Trust Limited
- Charity Registered Number:** 237934
- Company Registered Number:** 00819630
- Governing Instrument:** The Charity is a company limited by guarantee and not having a share capital. As such it is governed by its Memorandum and Articles of Association. It was incorporated on 15 September 1964.
- Members:** The subscribers to the Memorandum of Association and other persons elected by the board of governors shall, with their agreement, be admitted to membership of the company. The maximum number of members is one thousand.
- Directors (Members of the Board of Governors):** The first governors were nominated by the Articles of Association. The board of governors shall have power to appoint any member of the company to be a governor subject to their agreement. The minimum number of governors is five, and the maximum number is twelve.
- Governors:**
- Mr H M Henderson
 - Dr Catherine Wills
 - Mr P N H Gibbs
 - Mr P J H Wills
 - Mr R D C Henderson
 - Sir John Kemp-Welch
 - Mr R H Wills
 - Sir Eric Anderson
 - Hon R I H Wills
- In accordance with the Articles of Association, Dr Catherine Wills and Mr R H Wills retire by rotation and being eligible offer themselves for re-election.
- Finance Sub-Committee:** Certain powers of the governors can be delegated to a Finance Sub-Committee. This committee shall consist of a minimum of three governors.

THE FARMINGTON TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

for the year ended 31 July 2011

(continued)

**Members of the Finance
Sub-Committee:**

Mr P N H Gibbs
Mr H M Henderson
Sir John Kemp-Welch
Mr R D C Henderson
Mr G W W Hudson

Registered Office:

Harris Manchester College
Mansfield Road
Oxford
OX1 3TD

Secretary:

Mr A Churchill-Stone (On behalf of ML Co Sec Ltd)

Bankers:

Coutts and Co
440 The Strand
London
WC2R 0QS

Solicitors:

Burgess Salmon
Narrow Quay House
Narrow Quay
Bristol
BS1 4AH

Auditors:

Baker Tilly UK Audit LLP
Chartered Accountants
Elgar House
Holmer Road
Hereford
HR4 9SF

Investment Advisors:

Cazenove Capital Management Limited
12 Moorgate
London
EC2R 6DA

THE FARMINGTON TRUST LIMITED

REPORT OF THE GOVERNORS

for the year ended 31 July 2011

The governors, who are also trustees of the Charity and directors of the Company submit their annual report and the audited financial statements for the year ended 31 July 2011. These have been prepared in accordance with the governing document, the Companies Act 1985 (as amended by the Companies Act 2006), the Charities Act 1993, the Statement of Recommended Practice - Accounting and Reporting by Charities issued in March 2005 and applicable accounting standards.

Structure, Governance and Management

Policy decisions of the charity are made by the Governors with the involvement of the Company Secretary and the Director of the Farmington Institute. On a day to day basis invoices are approved by the Director of the Institute or the Company Secretary, the cheques in settlement of which are drawn and signed independent of them.

The budget for the year at which income and expenditure is forecast is created within the Finance Sub-committee and the number of Fellows to be taken for the year is agreed. This is then further approved at the Governors meeting. A separate Investment Sub-committee reviews the investment policy with regard to suitable investments, together with the projected income and capital growth of those investments.

Further details concerning the structure of the charity can be found in the Reference and Administrative Details.

Recruitment and Appointment of Governors

The Governors may from time to time appoint any person as a Governor to fill a vacancy or as an addition to the number of Governors. Any person shall retain his office only until the next Annual General Meeting but will then be eligible for re-election.

Most of the assets of the Charity have derived from gifts and legacies from our Founder, the late the Hon Robert Wills. These include a large amount of agricultural property in and around the town of Northleach in the Cotswolds. The balance of the liquid assets is managed by Cazenove & Co. In the recruitment and appointment of new Governors persons have been sought who have expertise relating to (i) the management of agricultural property, and in particular local knowledge of the property at Northleach, (ii) the management of our liquid investment funds, (iii) the management of charitable trusts, and (iv) the purposes of the Farmington Trust as set out below under "Objectives and Activities", in particular those relating to education and research in religion and morality.

Trustee Induction and Training

After appointment all new Trustees fill in relevant forms for the Charity Commissioners and Companies House, plus conflict of interest, skills audit and acknowledge their responsibilities.

Related Party Relationships

Dr Catherine Wills and Sir John Kemp-Welch are Trustees of Dulverton Trust and Governors of Farmington Trust. Mr HM Henderson and Sir John Kemp-Welch formerly worked with Cazenove & Co.

Risk Review

The management committee has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company.

Objectives and Activities

The Charity is established to promote, carry out or advance any charitable objects, and in particular any branches or aspects of education especially but not exclusively Christian Education, likely to promote morality and the acceptance of moral standards in human conduct including especially

- (1) To promote and facilitate in any part of the world the study of the lives, writings and teachings of men and women of all religions, particularly Christian lives, writings and teachings and of moral philosophers of all nationalities.

THE FARMINGTON TRUST LIMITED

REPORT OF THE GOVERNORS

for the year ended 31 July 2011

(continued)

Objectives and Activities (continued)

- (2) To organise residential or other courses of study and conferences and to establish paid residential or other fellowships and to provide accommodation, food, drink and other amenities (either free of charge or on such terms as may be thought fit) to persons attending such residential or other course of study and conferences
- (3) To establish fellowships, scholarships and prizes
- (4) To publish and publicise the results of any residential or other courses of study or conferences or other work of the Trust
- (5) To purchase take on lease or exchange hire or otherwise acquire any real or personal property and any rights or privileges and to construct, maintain, equip and alter any buildings or erections on any such property

In the current and recent years the Charity has had, within the general aims set out above, the following target objectives

- (1) To provide fellowships for teachers of Religious Education in Secondary, Primary and Special Needs Schools These fellowships are tenable for up to one term and can be based either at a university or a school The research should be of benefit to the individual teacher, the wider teaching community, and to school children
- (2) To support head teachers by offering fellowships tenable for up to one term The fellowships are to enable head teachers to undertake research on values and standards, and to have time to familiarize themselves with recent educational thinking, as well as to have the time and facilities for forward planning
- (3) To offer fellowships to members of Her Majesty's Armed Forces, to undertake research on moral and ethical leadership in the University of Oxford
- (4) To offer short-term fellowships and bursaries to clergy and ministers of religion and academics who are involved in RE
- (5) To disseminate recent and interesting work in RE
- (6) To build up a network of support for those involved in RE teaching

THE FARMINGTON TRUST LIMITED

REPORT OF THE GOVERNORS

for the year ended 31 July 2011

(continued)

Achievements and Performance

- 1 This year the Trust has given 30 Fellowships, at a cost of £388,799 to RE teachers and head teachers. For each Fellow the Trust paid for a replacement teacher, an induction course, a tutor, travelling expenses and reimbursement of agreed out of pocket expenses. All fellows were required to make a public presentation of their research, attend an annual conference, at which they give a presentation of the results of their research and produced a written report. These reports are placed on the Farmington website and made available free of charge to any interested party throughout the world.
- 2 The Trust successfully ran a major two day conference for 110 Fellows involved in RE. All the research undertaken during the past year was presented at this conference. The conference provided an opportunity for members to assimilate many new ideas and to build up an encouraging and supporting network of RE teachers.
- 3 In addition to these Fellowships, the Trust has given five mini-fellowships to people involved in RE, to have short periods of study in order to complete a project related to RE.
- 4 During the year the Trust ran two one day induction courses for new Fellows. The aim of these courses was to encourage mutual support amongst the Fellows as well as giving them detailed information and ideas on their reports, presentations, and how to benefit from their experience.
- 5 An annual newsletter has been produced for Farmington Fellows. The Trust has also responded to worldwide requests for copies of research papers produced by Farmington Fellows. Interest in these materials has increased over the years. Farmington Reports and Papers are made freely available to interested parties and this is an important part of the Trust's work to disseminate good research, which is especially helpful to serving teachers.
- 6 Several Oxfordshire schools took up the opportunity provided by the Trust, for Head Teachers and senior members of staff to hold planning days in the Farmington premises. These included Cheney School, Cherwell School, The Oxford Academy and The Headington Schools Partnership. The Farmington Trust has also hosted the meetings of Bloxham Trustees and the Independent Schools Chaplains Committee.
- 7 The Trust has played an active part in training of teachers. This year the Trust sponsored three head teachers who were working closely with the Education Department at Cambridge University, in order to build a new course which would help schools involved in training and next generation of teachers. The total cost to the Trust of this project was £13,000. The Trust has also provided one Teacher Fellowship at the University of Oxford to help train the next generation of RE teachers, the cost of this was £16,000.
- 8 This year the Trust awarded another HSBC Farmington Fellowship for a Head Teacher. The recipient of the fellowship was Mr Ian Carter of Poole Grammar School. He has been working on a project 'Investigating the possible academic advantages to able 11-18 year old pupils of single sex educational settings (schools)'. The cost of this was £15,000. Ian Carter was the last of a series of five fellows sponsored by HSBC.

THE FARMINGTON TRUST LIMITED

REPORT OF THE GOVERNORS

for the year ended 31 July 2010

(continued)

Achievements and Performance (continued)

- 9 The Trust sponsored a ten day course run by Liverpool Hope University to train non-specialist teachers of RE. This was an important initiative as the responsibility for teaching RE in many schools often rests with non-specialist teachers. The training of these people is vital if the subject is to be adequately taught. The cost of this sponsorship was £4,000.
- 10 The Trust has sponsored and organised six meetings for Head Teachers, one from a city academy, two from comprehensive schools and three from independent schools. Members of the wider community were invited to join the group. The meetings were held in a variety of venues, including The Oxford and Cambridge Club, London, The Grange St Paul's Hotel, London, at the very kind invitation of Mr Tony Matharu, Rhodes House, Oxford, St Catharine's College, Cambridge, The House of Lords and Harris Manchester College, Oxford. The meetings were followed by dinner during which the conversations continued. Each Head took it in turn to lead on a topic which was of major concern to his or her school. Through these meetings the Trust supported Head Teachers, schools and disseminated good ideas.

THE FARMINGTON TRUST LIMITED

REPORT OF THE GOVERNORS

for the year ended 31 July 2011

(continued)

Financial Review

For the year ended 31 July 2011, net outgoing resources amounted to £32,478 (2010 outgoing resources £83,708) Net assets totalled £20,173,725 (2010 £18,445,742) Details of the financial position of the Charity are set out in the following accounts

Reserves and Investment Policy

The Statement of Financial Activities summarises the incoming resources and funds expended and these are analysed between unrestricted funds, restricted funds and endowment funds Restricted funds are funds subject to specific usage declared by donors Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the Charity Part of an unrestricted fund may be designated as a separate fund

Free reserves available for day to day activities amounted to £5,006 (unrestricted net current assets less unrestricted net current liabilities)

Funds held are adequate and available to meet the obligations of the company

Funds have been maintained and increased for two main reasons The investment income arising from the Trust portfolio is used towards defraying the administrative costs of the Trust Reserves have also been increased during the period of the Millennium Awards Scheme and the Special Needs Scheme to enable fellowships to be maintained following the cessation of these schemes

Investments are managed by Cazenove Capital Management Ltd The Investment Committee monitors performance on a regular basis and from 1 August 2010 a "total returns policy" on investments has been adopted Monthly payments have been made by Cazenove Capital Management Ltd, distributions being calculated on a total annual return of 3.5% of the average of the previous twelve quarterly valuations

Public Benefit

In drafting the above statements, the trustees have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission

THE FARMINGTON TRUST LIMITED

REPORT OF THE GOVERNORS

for the year ended 31 July 2011

(continued)

Reserves and Investment Policy (continued)

The majority of the reserves are held in the form of investments and it is not considered that they are available for general expenditure since the charity is, in part, reliant upon the income generated from these investments for its day to day activities and for capital growth to ensure continued income generation in future years

Funding Sources

Income is generated from investments held in the Designated Fund and Endowment Fund, together with a grant of £30,000 from HSBC and rental income received on properties let by the Trust

Plans for the Future

The charity plans to continue the current activities within the education sector to enable Fellows to develop their skills and improve the level of teaching within schools, be they primary, secondary or special needs. In accordance with the Founders wishes the trustees are looking to take on Fellows in Commonwealth Countries with a view to raising the standard of teaching skills in religious education. In addition to this Fellowships are to be awarded to those within the church and the Armed Forces


Auditors

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditor will be put to the members at the annual general meeting

Small Companies Exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption

**Harris Manchester College
Mansfield Road
Oxford
OX1 3TD**

On behalf of the Board of Governors

Mr A Churchill-Stone
Secretary

2/12/11

THE FARMINGTON TRUST LIMITED

STATEMENT OF GOVERNORS' RESPONSIBILITIES

for the year ended 31 July 2011

The Governors (who are also the Directors of the charity for purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

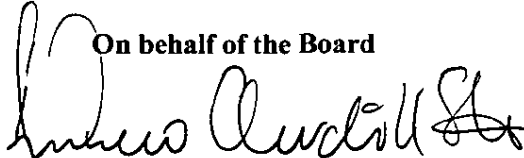
Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing those financial statements, we 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Governors are responsible for keeping proper 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 requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the Governors are aware

- there is no relevant audit information of which the charity's auditor is unaware, and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

On behalf of the Board

Mr A Churchill-Stone
Secretary

2/12/11

THE FARMINGTON TRUST LIMITED

AUDITORS' REPORT

Independent auditors' report to the Trustees and Members of The Farmington Trust Limited

We have audited the financial statements of The Farmington Trust Ltd for the year ended 31 July 2011 on pages 11 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees'/Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- the charity has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or

Baker Tilly UK Audit LLP 12 December 2011

KATHRYN REID (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Elgar House
Holmer Road
Hereford
HR4 9SF

THE FARMINGTON TRUST LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 July 2011**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2011 £	Total 2010 £
Incoming resources						
Incoming resources from						
Generated funds						
Voluntary income						
Grants and donations	3	-	30,000	-	30,000	15,000
Activities for generating funds						
Rental income		25,595	-	-	25,595	21,050
Royalties and sundry income		9,149	-	-	9,149	128
Investment income	4	381,218	-	-	381,218	376,153
Total incoming resources		<u>415,962</u>	<u>30,000</u>	<u>-</u>	<u>445,962</u>	<u>412,331</u>
Resources expended						
Cost of fund generating activities:						
Cost of rental properties						
		32,630	-	-	32,630	34,630
Investment Management costs						
		32,569	-	16,042	48,611	42,075
Charitable activities						
Secondary Schools	6	211,404	-	-	211,404	272,433
Primary Schools	6	76,994	-	-	76,994	58,575
Head teacher	6	-	20,364	-	20,364	15,732
Military Chaplain	6	7,311	-	-	7,311	-
Ministry	6	22,133	-	-	22,133	-
Overseas Fellows	6	-	-	-	-	19,458
Grants/Mim Fellowships	6	44,617	-	-	44,617	45,028
Head Teacher's Forum	6	5,976	-	-	5,976	-
		<u>368,435</u>	<u>20,364</u>	<u>-</u>	<u>388,799</u>	<u>411,226</u>
Governance costs	5	8,400	-	-	8,400	8,108
Total resources expended		<u>442,034</u>	<u>20,364</u>	<u>16,042</u>	<u>478,440</u>	<u>496,039</u>
Net (outgoing)/incoming resources before transfers						
		(26,072)	9,636	(16,042)	(32,478)	(83,708)
Transfers						
Gross transfers between funds		163,504	-	(163,504)	-	-
Net (outgoing)/incoming resources before other recognised gains and losses		<u>137,432</u>	<u>9,636</u>	<u>(179,546)</u>	<u>(32,478)</u>	<u>(83,708)</u>
Other recognised gains and losses						
Realised and unrealised gain on						
Investment assets	11	1,179,509	-	580,952	1,760,461	1,816,356
Net movement in funds		<u>1,316,941</u>	<u>9,636</u>	<u>401,406</u>	<u>1,727,983</u>	<u>1,732,648</u>
Reconciliation of Funds						
Total Funds brought forward						
		12,906,947	-	5,538,795	18,445,742	16,713,094
Total Funds carried forward	14	<u>14,223,888</u>	<u>9,636</u>	<u>5,940,201</u>	<u>20,173,725</u>	<u>18,445,742</u>

No activities were acquired or discontinued during the year
The notes on pages 13 to 20 form part of these accounts

THE FARMINGTON TRUST LIMITED

BALANCE SHEET

as at 31 July 2011

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2011 £	Total 2010 £
Fixed assets						
Tangible assets	10	2,192,140	-	-	2,192,140	1,774,018
Investments	11	12,026,742	-	5,940,201	17,966,943	16,593,751
		<u>14,218,882</u>	<u>-</u>	<u>5,940,201</u>	<u>20,159,083</u>	<u>18,367,769</u>
Current assets						
Debtors	12	4,269	-	-	4,269	15,443
Cash at bank and in hand		113,599	9,636	-	123,235	123,173
		<u>117,868</u>	<u>9,636</u>	<u>-</u>	<u>127,504</u>	<u>138,616</u>
Total current assets		117,868	9,636	-	127,504	138,616
Liabilities						
Creditors falling due within one year	13	(112,862)	-	-	(112,862)	(60,643)
		<u>117,868</u>	<u>9,636</u>	<u>-</u>	<u>127,504</u>	<u>138,616</u>
Net current assets		5,006	9,636	-	14,642	77,973
		<u>14,223,888</u>	<u>9,636</u>	<u>5,940,201</u>	<u>20,173,725</u>	<u>18,445,742</u>
Total assets less current liabilities		14,223,888	9,636	5,940,201	20,173,725	18,445,742
		<u>14,223,888</u>	<u>9,636</u>	<u>5,940,201</u>	<u>20,173,725</u>	<u>18,445,742</u>
Net assets		14,223,888	9,636	5,940,201	20,173,725	18,445,742
The funds of the charity						
Endowment funds		-	-	5,940,201	5,940,201	5,538,795
Restricted income funds		-	9,636	-	9,636	-
Unrestricted income funds		14,223,888	-	-	14,223,888	12,906,947
	14	<u>14,223,888</u>	<u>9,636</u>	<u>5,940,201</u>	<u>20,173,725</u>	<u>18,445,742</u>

The accounts on pages 11 to 20 were approved by the board of governors and authorised for issue on 2/12/11 and are signed on their behalf by

H M Henderson

P N H Gibbs

THE FARMINGTON TRUST LIMITED

NOTES ON ACCOUNTS

for the year ended 31 July 2011

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention except for investments which are stated at market value and in accordance with applicable accounting standards, the Statement of Recommended Practice - Accounting and Reporting by Charities issued in March 2005, the Charities Act 1993 and the Companies Act 1985 (as amended by the Companies Act 2006)

Basis of preparation

These financial statements have been prepared on a going concern basis, which the Governors consider to be appropriate as a result of projections prepared, which together with the level of working capital and realisable investments available indicate the Trust will be able to operate within the facilities currently available. The financial statements do not include any adjustments that would result from the going concern basis becoming non-applicable.

Incoming resources

- Gifts in kind are shown on the Statement of Financial Activities as donations and on the Balance Sheet as assets at their market values
- Grants are recognised once all conditions for their receipt have been met
- Investment income is accounted for when receivable and includes attributable tax recoverable

Resources expended

Provision of College course places, support and management and administration costs comprise direct costs together with applicable overheads. Resources expended are recognised in the period in which they are incurred. They are allocated to the particular activity where the cost relates directly to that activity.

College course places are advertised and applications are subsequently considered, places being allocated to those considered to be the most worthy applicants. Support costs and Governance are further detailed in note 5 to the accounts.

Depreciation/amortisation

The directors/trustees consider that the expected useful life of the freehold land and buildings exceeds 100 years and consider that the residual value of buildings is such that any resulting depreciation charge would not be material to these accounts. For these reasons the directors consider that freehold property should not be depreciated.

Depreciation of fixed assets is charged by equal annual instalments commencing with the year of acquisition at rates estimated to write off their cost less any residual value over the expected useful lives which are as follows -

The annual rates used are

Leasehold property	-	Over the period of the lease being 150 years
Leasehold property improvements	-	2% on cost
Library	-	10% on reducing balance
Furniture, fittings and equipment	-	20% on reducing balance

Assets costing more than £100 are capitalised at cost. On disposal of assets in the ordinary course of business, adjustments are made to the depreciation charge to reflect differences between the actual and estimated aggregate depreciation.

Taxation

The company is a registered charity and as such is not generally liable to taxation on its income or capital gains.

THE FARMINGTON TRUST LIMITED

NOTES ON ACCOUNTS

for the year ended 31 July 2011

(continued)

1 Principal accounting policies (continued)

Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available for small companies

Listed investments

Listed investments have been stated at closing market value at the balance sheet date. Realised gains or losses are calculated as the difference between sales proceeds and market value at the previous balance sheet date and are taken to the Statement of Financial Activities

Funds

Unrestricted funds are those funds which can be used in accordance with the charitable objects of the charity

Designated funds have been set aside by the Trustees from assets and investments transferred from Broadfield Trust and the estate of the Honourable E R H Wills

Restricted funds can only be used for particular purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for a particular purpose

Endowment funds have been donated to the Charity

The investments are managed on a 'total return' basis, based on 3.5% of the average value of investments over the previous twelve quarters. A transfer is made from the Endowment Fund, reflecting the element applicable to that fund, to the unrestricted fund in line with the calculated amount

2 Related party transactions and governors remuneration

The governors received no remuneration (2010 £Nil) nor expenses in the year (2010 £Nil)

3 Voluntary income	2011	2011	2011	2010	2010	2010
	Unrestricted	Restricted	Endowment	Unrestricted	Restricted	Endowment
	£	£	£	£	£	£
Donation – HSBC Bank Plc	-	30,000	-	-	15,000	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THE FARMINGTON TRUST LIMITED

NOTES ON ACCOUNTS

for the year ended 31 July 2011

(continued)

4	Investment income				
		2011	2011	2010	2010
		Unrestricted	Restricted	Unrestricted	Restricted
		£	£	£	£
	Dividends – UK equities	238,502	-	222,469	-
	Interest – UK fixed interest securities	151,540	-	181,188	-
	Accrued interest	(10,306)	-	(28,941)	-
	Interest on cash deposits	1,482	-	1,437	-
	Interest on tax refund	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		381,218	-	376,153	-
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5 Allocation of support costs and overheads

The charity allocates its support costs as shown on the table below

These support costs are allocated on a direct basis

Cost Type	Total Allocated £	Governance £	Charitable Activities £
Salaries and office costs	138,513	-	138,513
Selection and fellows expenses	6,271	-	6,271
Conference costs	31,609	-	31,609
Legal and professional costs	20,651	-	20,651
Audit fees	8,400	8,400	-
	<hr/>	<hr/>	<hr/>
	205,444	8,400	197,044
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The total support cost attributable to charitable activities is then apportioned pro rata to the number of fellows taken as shown in the table below

Secondary schools	103,996
Primary schools	43,788
Head Teacher	5,473
Military Chaplain	5,473
Ministry	10,947
Overseas	-
Grants / Mini Fellowships	27,367
Farmington Papers	-
	<hr/>
	197,044
	<hr/> <hr/>

THE FARMINGTON TRUST LIMITED

NOTES ON ACCOUNTS

for the year ended 31 July 2011

(continued)

6 Analysis of charitable expenditure

The Farmington Trust provides college places for teachers to study religious education, together with an annual conference where Farmington Fellows can meet to discuss religious education and the preparation of Farmington Papers on religious, moral and ethical subjects. During the year an Australian teacher, a military Chaplain and a Church Minister were also accepted as Farmington Fellows.

	Secondary Schools	Primary Schools £	Head Teacher £	Military Chaplain £	Ministry £	Grants £	Head Teachers Forum £	Total 2011 £	Total 2010 £
University College tuition	27,104	5,751	5,718	1,838	1,186	11,500	-	53,097	69,640
Cover teaching at schools	78,818	26,745	9,000	-	-	-	-	114,563	134,877
Fellows expenses	1,486	710	173	-	10,000	5,750	-	18,119	17,552
Forum and Summer School	-	-	-	-	-	-	5,976	5,976	-
Support Costs	103,996	43,788	5,473	5,473	10,947	27,367	-	197,044	189,157
	211,404	76,994	20,364	7,311	22,133	44,617	5,976	388,799	411,226
Unrestricted	211,404	76,994	-	7,311	22,133	44,617	5,976	368,435	395,494
Restricted	-	-	20,364	-	-	-	-	20,364	15,732
	211,404	76,994	20,364	7,311	22,133	44,617	5,976	388,799	411,226

THE FARMINGTON TRUST LIMITED

NOTES ON ACCOUNTS

for the year ended 31 July 2011

(continued)

7	Analysis of staff costs	2011 £	2010 £
	Salaries and wages	95,550	107,903
	Social Security Costs	8,305	9,158
	Other pension costs	636	612
		<u>104,491</u>	<u>117,673</u>

No employees had emoluments in excess of £60,000 (2010 £60,000)

Staff numbers

The average number of employees including governors analysed by function was

	4	4
Employees working on charitable activities	10	10
	<u>14</u>	<u>14</u>

Governors' emoluments

All members of the Board of Governors act in an unpaid capacity and do not receive reimbursement of expenses (2010 Nil)

8 Net incoming resources for the year

This is stated after charging

Depreciation	8,641	9,055
Auditor's remuneration		
- External audit	8,400	8,108
- Other services	18,851	23,017

9 Auditor's remuneration

The auditor's remuneration constituted an audit fee of £8,400 (2010 £8,108) and additional advisory and book-keeping work of £18,851 (2010 £23,017)

THE FARMINGTON TRUST LIMITED

NOTES ON ACCOUNTS

for the year ended 31 July 2011

(continued)

10	Tangible fixed assets	Freehold and Leasehold Property £	Improvements to Property £	Library £	Furniture Fittings and Equipment £	Total £
	Cost					
	As at 1 August 2010	1,465,000	333,881	15,391	69,720	1,883,992
	Additions	-	426,763	-	-	426,763
	Disposals	-	-	-	-	-
	As at 31 July 2011	1,465,000	760,644	15,391	69,720	2,310,755
	Depreciation					
	As at 1 August 2010	18,000	13,558	14,037	64,379	109,974
	Charge for the year	1,000	6,437	135	1,069	8,641
	Disposals	-	-	-	-	-
	As at 31 July 2011	19,000	19,995	14,172	65,448	118,615
	Net book amount					
	As at 31 July 2011	<u>1,446,000</u>	<u>740,649</u>	<u>1,219</u>	<u>4,272</u>	<u>2,192,140</u>
	As at 31 July 2010	<u>1,447,000</u>	<u>320,323</u>	<u>1,354</u>	<u>5,341</u>	<u>1,774,018</u>
	Capital commitments			<u>£1,275,885</u>		

11 Fixed Asset Investments

Movement in fixed asset investments	2011 £	2010 £
Market value brought forward	15,710,141	13,787,637
Add: Additions to investments at cost	7,015,410	8,941,964
Less: Disposals at carrying value	(7,338,892)	(8,835,816)
Net gain/(loss) on revaluation	1,760,461	1,816,356
Market value as at 31 July 2011	17,147,120	15,710,141
Cash held as part of portfolio	819,823	883,610
	<u>17,966,943</u>	<u>16,593,751</u>
Fixed Asset Investments		
Interest bearing securities in the UK	1,023,684	1,016,202
Other UK listed securities	16,123,436	14,693,939
Cash held by stockbrokers	819,823	883,610
	<u>17,966,943</u>	<u>16,593,751</u>

THE FARMINGTON TRUST LIMITED

NOTES ON ACCOUNTS

for the year ended 31 July 2011

(continued)

12	Debtors	2011	2010
		£	£
	Other debtors	3,150	12,537
	Prepayments and accrued income	1,119	2,906
		<u>4,269</u>	<u>15,443</u>

13 Creditors: amounts falling due within one year

Loans and overdrafts	1,841	8,141
Trade creditors	86,769	33,646
Other tax and social security	2,702	-
Accruals and deferred income	21,550	18,856
	<u>112,862</u>	<u>60,643</u>

14 Analysis of charitable funds

Analysis of Fund movements	Balance at 1 August B/Fwd £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	Fund C/fwd £
Unrestricted funds						
General income fund	1,662,488	415,962	(409,465)	163,504	-	1,832,489
Designated fund	11,244,459	-	(32,569)	-	1,179,509	12,391,399
	<u>12,906,947</u>	<u>415,962</u>	<u>(442,034)</u>	<u>163,504</u>	<u>1,179,509</u>	<u>14,223,888</u>
Restricted income fund	-	30,000	(20,364)	-	-	9,636
Endowment fund	5,538,795	-	(16,042)	(163,504)	580,952	5,940,201
	<u>18,445,742</u>	<u>445,962</u>	<u>(478,440)</u>	<u>-</u>	<u>1,760,461</u>	<u>20,173,725</u>

THE FARMINGTON TRUST LIMITED

NOTES ON THE ACCOUNTS

for the year ended 31 July 2011

(continued)

15 Share capital

The Farmington Trust is a company limited by guarantee and does not have a share capital. Consequently no reconciliation of shareholders funds, as required by Financial Reporting Standard No 3, is possible. Similarly, the split of shareholders funds between equity and non-equity shareholders as required by Financial Reporting Standard No 4 is not possible.

16 Guarantee

Every member of the Trust undertakes to contribute to the assets of the Trust, in the event of the same being wound up while he is a member, or within one year after he ceased to be a member, for payment of the debts and liabilities of the Trust contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights or the contributions among themselves such amount as may be required not exceeding £1.

17 Related party transactions

Mr H M Henderson and Sir John Kemp-Welch were formerly employed with Cazenove and Co the Trust's stockbrokers and Mr L Ponsonby, the son of Sir Ashley Ponsonby, is an employee of Cazenove and Co. All transactions between the Trust and Cazenove Capital Management Limited are carried out at full market value.

Mr GWW Hudson has been involved in the property development work carried out in Northleach. The Charity received professional advice, based on third party estimates, on the total projected cost of the development. Mr Hudson agreed to underwrite a portion of these costs so that the actual cost to the Charity of the development will be approximately 73 per cent of the projected cost.

Mr Hudson was the former company secretary and stood down from his position as company secretary once a potential conflict of interest had been identified. Services provided to the Charity in relation to this service amounted to £374,114, none of which was outstanding at the year end.