

Lapworth Old School Trust
Report and Financial Statements

31 December 2023

Charity number: 1068925

Lapworth Old School Trust
Report and Financial Statements
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Lapworth Old School Trust
Legal and administrative information

Trustees

Revd P H Gerard MSc BA

The Rectory
Church Lane
Lapworth
B94 5NX
01564 782098

Mr H O Roberts ACIB *

White Oak
Lapworth Street
Lapworth
B94 5QR
01564 783936

Mrs K Baines GradDipPhys MCSP *

18 Kingswood Close
Lapworth
B94 6JQ
01564 782697

Mr A I Jackson BEng MBA CEng FSOE
FIPlantE *

175 Station Lane
Lapworth
B94 6JG
01564 783028

Mr M E T Parkes *

The Crofts
Netherwood Lane
Chadwick End
B93 0BD
01564 783189

Mrs E M Kenny

8 Heyford Grove
Solihull
B91 3XX

* Trustees holding title to freehold land and buildings although transferral to the Official Custodian is in progress, see note 11

Address

Old School
Church Lane
Lapworth
Solihull
B94 5NX

Independent examiner

Dr J R Ayling BSc FCA
8 Troutbeck Avenue
Leamington Spa
CV32 6NE

Lapworth Old School Trust

Report of the Trustees for the period ended 31 December 2023

The Trustees present their report along with the financial statements of the Trust for the year ended 31 December 2023. The financial statements have been prepared in accordance with the accounting policies set out on pages 8 and 9 and comply with the Charity's Trust Deed and applicable law.

Objectives and activities

The object of the Trust is to act for the benefit of St Mary's Church Lapworth and the community without distinction of political, religious or other opinion. The Trust owns two properties, the old schoolmaster's house (the Master's House) and the Old School. The Master's House is let to a tenant and the converted classrooms of the Old School form a hall which is used for meetings, lectures and classes and for other forms of recreation and leisure.

The Trust is obliged under section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission. The Trustees believe that their commitment to enabling as many people as possible to use the facilities offered by the Old School fulfils this obligation.

Achievements and performance

The Trustees commissioned a quinquennial inspection of the properties in 2022. This identified several significant issues with the two properties, in particular problems with the structure of the Master's House. A series of repairs and modifications to the properties commenced. The Trustees had recognised the inconvenience to the Master's House tenant that the issues and the work required was causing. With the tenant vacating the Master's House in November 2023, the opportunity was taken to commence more extensive repairs and modifications. These works identified further potentially significant problems.

In March 2024 the Trustees agreed that they would like to undertake works to repair and refurbish the Master's House to a condition suitable for let to a residential tenant and to repair the Old School to a condition that enables its continued use as a community hall. Donald Insall Associates were asked to undertake and report on a cost exercise to assess the viability of the proposed repair and refurbishment work so that the trustees could determine if the requisite funds for repairs were available before proceeding with on-site works. The Donald Insall Associates report shows that the work is likely to cost more than the available

In May 2024, the Willson Memorial Trust (registered charity number 1077750) agreed to make a donation, if required, of an amount sufficient to cover the estimated shortfall should the Trustees have to carry out all the identified possible work. This on the condition that St Mary's Church Lapworth can continue to use the Old School free of charge while the Trust has reserves. The Trustees are now arranging for commencement of the structural repairs.

The Trustees will not be letting the Master's House until they are satisfied that it is in a condition suitable for letting to a residential tenant. Subject to conducting repairs and improvements, the Old School continues to be available for use, including for meetings, classes and social events. The Trustees continue to seek ways to increase usage within the context of meetings, lectures and classes and for other forms of recreation and leisure, so as to provide an increasingly valuable asset to the local community and to increase financial income for the long term sustainability of the Old School.

The holding title to freehold land and buildings has been transferred to the Official Custodian for Charities, with confirmation of the authorising order to transfer to the Official Custodian received on 12 December 2022. Completion of the full process is ongoing.

The Trustees have started investigating the establishment of a Charitable Incorporated Organisation (CIO) to hold the Trust's assets. This to better support the community's long term use of the Old School as a community hall.

Lapworth Old School Trust
Report of the Trustees for the period ended 31 December 2023

Financial review

Funding is obtained through rent received for the Master's House and hiring of the Old School. Some fundraising also takes place. (In view of the generous support given by St Mary's Church Lapworth for the purchase and refurbishment of the two properties, no charge is made to the church for the use of the Old School.) Receipts are banked promptly and creditors paid in a timely manner.

During the year ended 31 December 2023 the Charity had a deficit of £3,512 (2022: deficit of £19,017).

At 31 December 2023 the Charity had financial reserves of £469,081 (2022: £472,593). The Trustees aim to maintain a level of cash reserves that are sufficient to fund, independently, any necessary repairs or improvements to the properties. (Note that the cash reserves of the Lapworth Old School Trust are held on their behalf by The Parochial Church Council of the Ecclesiastical Parish of St Mary the Virgin, Lapworth (registered charity number 1165322), "St Mary's PCC".) Other reserves comprise principally the depreciated cost of the two freehold buildings. The Trustees believe that, with the offered financial support from The Willson Memorial Trust, these reserves are sufficient to meet the Charity's needs, .

Structure, governance and management

The Lapworth Old School Trust is constituted by a Deed of Trust dated 20 June 1997, amended 10 March 1998, and is registered with the Charity Commission for England and Wales. The Trustees who have served during the year and since the year end are set out on page 1. None of the Trustees, nor any connected person, received any remuneration or expenses from the Charity in the period ended 31 December 2023 (2022: £nil). The power to appoint trustees is vested in the existing Trustees, who shall include the Churchwardens, Rector, Secretary and Treasurer of St Mary The Virgin Church Lapworth's Parochial Church Council. The Trustees conduct the business of the Trust as they see fit, keeping written minutes of their meetings which are held at least twice a year.

The Trustees' policy is to operate the charity in accordance with the policies and procedures of St Mary's

The Trustees would like to thank the St Mary's Verger for managing bookings of the Old School and for managing, with Mrs N Aslin, much of the day to day running of the charity's properties.

Approved by the Trustees and signed on their behalf by:



Revd P H Gerard, Trustee



Date

**Independent examiner's report
To the Trustees of Lapworth Old School Trust**

I report to the charity trustees on my examination of the accounts of the Charity for the year ended 31 December 2023 which are set out on pages 5 to 13.

Responsibilities and basis of report

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

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

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

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



Dr J R Ayling BSc FCA
Fellow of the ICAEW
8 Troutbeck Avenue
Leamington Spa
CV32 6NE

19 July 2024

Date

Lapworth Old School Trust
Statement of Financial Activities for the year ended 31 December 2023

	Notes	Total 2023 £	Total 2022 £
Income and endowments from:			
Donations and legacies		563	202
Charitable activities	4	24,078	25,586
Investments	5	3,519	2,091
Total income and endowments		<u>28,160</u>	<u>27,879</u>
Expenditure on:			
Charitable activities			
Old School	6	19,536	18,137
Master's House	7	15,581	21,589
Other		24	33
Total expenditure		<u>35,141</u>	<u>39,759</u>
Net gains / (losses) on investments	9	<u>3,469</u>	<u>(7,137)</u>
Net expenditure being net movement in funds		(3,512)	(19,017)
Total funds brought forward		472,593	491,610
Total funds carried forward		<u>469,081</u>	<u>472,593</u>

All funds are unrestricted.

There were no recognised gains and losses for the Charity for the current or prior years other than those included in the Statement of Financial Activities. All income arises from continuing activities.

Lapworth Old School Trust
Balance Sheet as at 31 December 2023

	Notes	31 Dec 2023 £	31 Dec 2022 £
Fixed assets			
Tangible assets	11	313,296	320,844
Current assets			
Debtors	12	156,379	154,036
Creditors: amounts falling due within one year	13	(594)	(2,287)
Net current assets		155,785	151,749
Total assets less current liabilities being total net assets		469,081	472,593
Unrestricted funds		469,081	472,593

Approved by the Trustees and signed on their behalf by:

P. H. Gerard

Revd P H Gerard, Trustee

3rd July 2024

Date

Lapworth Old School Trust
Cash flow statement for the year ended 31 December 2023

	Year ended 31 Dec 2023 £	Year ended 31 Dec 2022 £
Cash flows from operating activities		
Net expenditure	(3,512)	(19,017)
Add back depreciation charges	12,908	12,375
Deduct interest and dividends income shown in investing activities	(3,519)	(2,091)
(Increase) / decrease in debtors	(2,343)	6,818
Decrease in creditors	(1,693)	(26)
Net cash provided by / (used in) operating activities	<u>1,841</u>	<u>(1,941)</u>
Cash flows from investing activities		
Interest and dividends	3,519	2,091
Purchase of fixed assets	(5,360)	(150)
Net cash (used in) / provided by investing activities	<u>(1,841)</u>	<u>1,941</u>
Change in cash and cash equivalents in the year	-	-
Cash and cash equivalents brought forward	-	-
Cash and cash equivalents carried forward	<u>-</u>	<u>-</u>

Analysis of changes in net debt	At start of year £	Cash flows £	At end of year £
Net debt	<u>-</u>	<u>-</u>	<u>-</u>

Lapworth Old School Trust
Notes forming part of the financial statements
for the year ended 31 December 2023

1 Accounting policies

{a} Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

{b} Funds Structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

{c} Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) 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.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be received.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established. Cash and investments are held by The Parochial Church Council of the Ecclesiastical Parish of St Mary the Virgin, Lapworth (registered charity number 1165322), "St Mary's PCC" in its capacity as Custodian Trustee.

{d} Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes the costs of maintaining the Charity's two properties, processing room hire bookings and collecting rent.

{e} Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Lapworth Old School Trust
Notes forming part of the financial statements
for the year ended 31 December 2023

1 Accounting policies (continued)

{f} Allocation of support and governance costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity. All support costs are charged to expenditure on charitable activities, with further allocation between the Old School and the Master's House. Where support costs cannot be directly attributed to a particular activity they have been allocated on a basis consistent with use of the resources. Insurance costs have been apportioned according to the Trustees' estimate of the split of the respective insurance cover required by these two buildings as shown below. Depreciation charged on the freehold buildings has been apportioned according to the Trustees' estimate of the split of the property valuation between the Master's House and the Old School (also shown below).

	Master's House	Old School
Insurance	25%	75%
Freehold property depreciation	40%	60%

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees and are shared equally between the two charitable activities, see note 8.

{g} Fixed assets and depreciation

All fixed assets costing more than £100 are capitalised at cost.

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives. Freehold land is not depreciated.

Freehold buildings	2% straight line
Plant & machinery	10% straight line
Fixtures, fittings & equipment	25% reducing balance

The need for an impairment review of fixed assets is assessed annually.

{h} Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Lapworth Old School Trust
Notes forming part of the financial statements
for the year ended 31 December 2023

2 Post balance sheet event and going concern

In March 2024 the Trustees agreed that they would like to undertake works to repair and refurbish the Master's House to a condition suitable for let to a residential tenant and to repair the Old School to a condition that enables its continued use as a community hall. Donald Insall Associates were asked to undertake and report on a cost exercise to assess the viability of the proposed repair and refurbishment work so that the trustees could determine if the requisite funds for repairs were available before proceeding with on-site works. The Donald Insall Associates report shows that the work is likely to cost more than the available funds.

In May 2024, the Willson Memorial Trust (registered charity number 1077750) agreed to make a donation, if required, of an amount sufficient to cover the estimated shortfall should the Trustees have to carry out all the identified possible work. This on the condition that St Mary's Church Lapworth can continue to use the Old School free of charge while the Trust has reserves. The Trustees are now arranging for commencement of the structural repairs.

Considering the expected expenditure on the Master's House in 2024, the Trustees have informed St Mary's PCC that they expect to be shortly using all LOST's reserves currently held by St Mary's PCC. Also, that the Trustees require all of LOST's reserves to be held as cash with effect from 1 January 2024.

The Trustees consider that with the financial support of the Willson Memorial Trust, there are no material uncertainties about the Trust's ability to continue as a going concern.

3 Related party transactions and trustees' expenses and remuneration

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2022: £nil). Expenses paid to the trustees in the year totalled £nil (2022: £nil). There are no other related party transactions.

4 Income and endowments from charitable activities

	Year ended 31 Dec 2023	Year ended 31 Dec 2022
	£	£
Old School lettings	12,525	13,139
Master's House rent	11,553	12,447
	<u>24,078</u>	<u>25,586</u>

5 Income and endowments from investments

	Year ended 31 Dec 2023	Year ended 31 Dec 2022
	£	£
Bank interest	2,342	655
Dividend income	1,177	1,436
	<u>3,519</u>	<u>2,091</u>

Bank interest arises from cash balances which are held by St Mary's PCC, in its capacity as custodian Trustee, on behalf of the Lapworth Old School Trust. The dividend income results from fixed asset investments which are also held by St Mary's PCC on behalf of the Charity.

Lapworth Old School Trust
Notes forming part of the financial statements
for the year ended 31 December 2023

6 Expenditure on charitable activities:	Year ended	Year ended
Old School	31 Dec 2023	31 Dec 2022
	£	£
Maintenance	6,307	6,460
Heating and lighting	2,988	2,324
Support costs (note 8)	10,241	9,353
	<u>19,536</u>	<u>18,137</u>

7 Expenditure on charitable activities:	Year ended	Year ended
Master's House	31 Dec 2023	31 Dec 2022
	£	£
Maintenance	10,647	16,518
Support costs (note 8)	4,934	5,071
	<u>15,581</u>	<u>21,589</u>

8 Support costs

The Charity allocates its support costs as described in note 1 and as shown below.

	Old School	Master's	Total
	£	House	£
		£	
Insurance	1,271	424	1,695
Telephone	87	-	87
Depreciation	8,641	4,267	12,908
Governance costs	242	243	485
	<u>10,241</u>	<u>4,934</u>	<u>15,175</u>

Governance costs comprise £485 (2022: £460) in respect of the cost of independent review. No other fees were charged by the independent examiner (2022: £nil).

9 Net gains or losses on investments

Net gains or losses on investments arise from fixed asset investments which are held by St Mary's PCC, in its capacity as custodian Trustee, on behalf of the Lapworth Old School Trust.

10 Staff costs

The Charity employs no staff.

Lapworth Old School Trust
Notes forming part of the financial statements
for the year ended 31 December 2023

11 Tangible fixed assets	Freehold land and buildings £	Plant & machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2023	577,961	19,188	7,379	604,528
Additions	-	810	4,550	5,360
At 31 December 2023	<u>577,961</u>	<u>19,998</u>	<u>11,929</u>	<u>609,888</u>
Depreciation				
At 1 January 2023	269,047	7,727	6,910	283,684
Charge for the period	9,652	2,000	1,256	12,908
At 31 December 2023	<u>278,699</u>	<u>9,727</u>	<u>8,166</u>	<u>296,592</u>
Net book value				
At 31 December 2023	<u>299,262</u>	<u>10,271</u>	<u>3,763</u>	<u>313,296</u>
At 31 December 2022	<u>308,914</u>	<u>11,461</u>	<u>469</u>	<u>320,844</u>

Included in freehold land and buildings is land at a cost of £63,062 (2022: £63,062) which has not been depreciated.

On 23 November 2022, the Trustees passed a resolution to move the title deeds of the two properties to the Official Custodian. Confirmation of the authorising order to transfer to the Official Custodian was received on 12 December 2022. Completion of the full process is ongoing.

12 Debtors	31 Dec 2023 £	31 Dec 2022 £
Other debtors	155,373	152,736
Prepayments and accrued income	1,006	1,300
	<u>156,379</u>	<u>154,036</u>

Other debtors represents cash and investment balances held by St Mary's PCC, in its capacity as Custodian Trustee, on behalf of the Lapworth Old School Trust.

13 Creditors: amounts falling due within one year	31 Dec 2023 £	31 Dec 2022 £
Accruals and deferred income	<u>594</u>	<u>2,287</u>

Lapworth Old School Trust
Notes forming part of the financial statements
for the year ended 31 December 2023

14 Deferred income	Year ended 31 Dec 2023 £	Year ended 31 Dec 2022 £
At 1 January	1,478	1,785
Additions during the year	-	1,478
Amounts released to income	(1,478)	(1,785)
At 31 December	<u>-</u>	<u>1,478</u>

Deferred income comprises rental income from the Master's House and the Old School which has been received in advance of the period to which the income relates.

15 Controlling party and ultimate controlling party

The controlling party and ultimate controlling party of the Charity is the Board of Trustees of Lapworth Old School Trust.