

Company number 3546759

Charity number 1069942

**Clarendon Trust Limited**

Report and Financial Statements

Year ended 31 August 2022

# **CLARENDON TRUST LIMITED**

## **Financial Statements - 31 August 2022**

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# **CLARENDON TRUST LIMITED**

## **TRUSTEES' REPORT**

### **REFERENCE AND ADMINISTRATIVE DETAILS**

Clarendon Trust Limited is a registered charity (1069942) and a company limited by guarantee (3546759).

Its registered office is: 21/23 Clarendon Villas  
Hove  
East Sussex  
BN3 3RE

The Trustees throughout the year, (unless otherwise shown), and at the date the report is signed were:

S Horne  
P Jarvis  
N Jones  
A Knight (appointed on 11<sup>th</sup> October 2022)  
W Bigwood (appointed on 21<sup>st</sup> February 2023)  
J Foreman  
K Stevens (resigned on 22<sup>nd</sup> November 2022)  
M Sibanda  
K Ball

Company Secretary A Waller

The senior staff of the charity throughout the Year were: S Boon  
S Horne  
N Jones  
J Virgo  
S Dawson

The company's advisors are:

Bankers: National Westminster Bank plc  
103 Church Road  
Hove  
East Sussex  
BN3 2BF

Registered Auditors: Chariot House Limited  
44 Grand Parade  
Brighton  
BN2 9QA



## **CLARENDON TRUST LIMITED**

### **Trustees' Report – continued**

The trustees present their report and the financial statements for the year ended 31 August 2022. The financial statements have been prepared in accordance with the accounting policies set out on pages 13 to 15 and comply with current statutory requirements the Financial Reporting Standard applicable in the U.K. and Republic of Ireland (FRS102) (effective from 1 January 2019), the Memorandum and Articles of Association, and the Statement of Recommended Practice: Accounting and Reporting by Charities 2019.

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

The company was incorporated on 16 April 1998 and was registered as a charity on 5 June 1998. It is governed by its Memorandum and Articles of Association. The company is limited by guarantee and has no share capital. The liability of the members is £10 each in the event of the company being wound up. The charity is also known as Emmanuel.

Potential new trustees are recommended by the Elders of the church and are appointed by the members, if considered suitable following interview by the existing trustees. The induction process for trustees involves supplying them with copies of the Memorandum & Articles of Association, recent Accounts and Minutes of Trustees' Meetings. They are also shown the work of Clarendon Trust Limited and meet with the senior staff. Opportunities for training are also made available through our lawyers and auditors. Trustees meet regularly through the Year and all the major decisions of the charity are made with them in consultation with the church Elders.

Friends First Trust and Oaks Trust are connected with Clarendon Trust Ltd (of 17 Clarendon Villas, Hove, East Sussex BN3 3RE) in that the charities have common trustees and Clarendon Trust Ltd is the sole corporate member of both Friends First Trust and Oaks Trust.

### **RISK MANAGEMENT**

The trustees have recognised the importance of assessing and managing risk associated with the charity's objectives. The process of identifying risk is ongoing and has been an essential part of the management of the charity for some Years. Clarendon Trust and its subsidiaries Friends First Trust and Oaks Trust have a set of comprehensive policies and rules in place to ensure ongoing identification, management and documentation of foreseeable risks.

Financial Sustainability is monitored through the Finance Department, Trustee meetings and sub-committees. Regular management accounts give an up-to-date picture of Clarendon Trust's financial position each month and cash flow forecasts monitors the organisation's liquidity. Attention has also been focussed on non-financial risks arising from fire, health and safety, and food hygiene. Members of staff undergo relevant training on a regular basis. A comprehensive insurance policy exists to ensure that all insurable risks are covered. DBS checks are in place to safeguard young people and minimise the risk of inappropriate persons being involved in pastoral and youth work.

### **OBJECTIVES AND ACTIVITIES**

The trustees have had regard to the Charity Commission guidance on public benefit, and paid due regard to it in deciding what activities the charity should undertake. The trustees are satisfied that the ongoing activities which they are involved in means that the charity is continuing to meet the public benefit requirement. The main objectives of the charity are to advance the Christian faith, to provide assistance for aged persons and those in conditions of need, hardship or distress, and to make gifts, donations or loans to any charitable religious institution. These objectives have not changed during the Year. Clarendon Trust aims to encourage, equip and care for members of the church in Brighton and Hove as well as to work with individuals and organisations in the United Kingdom and internationally who share the charity's vision and values.



## **CLARENDON TRUST LIMITED**

### **Trustees' Report – continued**

The key elements of the charity's strategy are:

- to preach and spread the message of the Christian gospel;
- to build and grow a community of believers who demonstrate Christian love for one another;
- to equip people for works of service both locally and internationally; and
- to engage with the local community through acts of service with a particular emphasis on the poor.

The charitable company receives a certain amount of voluntary help in various areas of church life including administration, children's work, Sunday services, social engagement ministries. It is not possible to quantify the value of this.

### **ACHIEVEMENTS AND PERFORMANCE FOR PUBLIC BENEFIT**

The trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities. Emmanuel Church was founded over 40 Years ago. In this time, we have sought to serve the local City, the UK and internationally. This report reflects aspects of each of these 3 components.

#### **1. Sunday services and membership care**

The focus of the last academic year was to rebuild the organisation post-pandemic. All 5 services were reopened whilst maintaining the online provision created during the pandemic to allow for those who were shielding or unable to come to view the Sunday service as well as providing a window into the church for those wanting to know more about Emmanuel. The church continued to respond effectively to the changing rules around social distancing in its Sunday services and mid-week provision before establishing a more normal rhythm from Easter onwards. There has been a continued effort to re-engage volunteers in all areas of ministry and a gentle encouragement for members to reconnect in small groups, with plans for a more concerted effort at the beginning of the next academic year.

#### **2. Church planting**

Emmanuel is continuing to actively partner with a number of churches and church plants in the UK, Continental Europe and Canada. This involves cities such as London, Bath, Belfast, Berlin, Amsterdam, Krakow and Ottawa. In 2021-22 we continued to financially support, by means of grants, the church plants in Belfast, Krakow and Bath. Emmanuel is linked with these churches and church plants and supports them through regular visits and training as well as building strong relationships with the congregations.

#### **3. Newday**

In our eighth year with oversight of Newday the team ran our first live event again post-pandemic after two years of lockdown restrictions. Conversations and emphasis on the future of Newday becoming an independent charity continue.



## **CLARENDON TRUST LIMITED**

### **Trustees' Report – continued**

#### **4. Social Action**

This continued to be an important area for us during 2021-22. The Social Engagement ministries, under the freshly branded 'Care for Our City' umbrella, include the following:

##### **Oaks Trust**

This subsidiary charity started activity during 2014 and seeks to help those who are poor and disadvantaged for a variety of reasons. The charity has historically overseen the activities of the Shoreham Foodbank, but now additionally has governance for a further two food banks (Clarendon Centre & Villas). Over the last year there has been 34% more referrals and requests made to food banks across the UK as well as free school meal provision rising by 17% in 2022. Oaks Trust has tried to meet this need by continuing to run three food banks providing emergency food and a space for social workers to bring clients and chat whilst they wait to receive their food parcels as well as opportunity for people to access debt support services.

##### **Friends First Trust**

This subsidiary charity provides support to adult men and women with a background in homelessness and/or long-term unemployment to gain work experience and link them with opportunities to increase their employability and access to paid employment. The charity works in partnership with local employers who open up work experience and paid employment opportunities to its beneficiaries. Friends First works with socially minded property investors to enable beneficiaries to access secure and affordable accommodation. Friends First recruit, screen, and train volunteer mentors and befrienders to come alongside beneficiaries living in their local communities. Friends First also provides intensive paid-person support for beneficiaries to assist them in gaining momentum and achieving independent living. The charity also has access to counselling referral and regularly work alongside and signpost to other like-minded agencies in the city.

## **FINANCIAL REVIEW**

The accounts on pages 10 to 24 comply with statutory requirements of the Memorandum and Articles of Association.

The Consolidated Statement of Financial Activities on page 10 shows total net incoming resources of £44,893 (2021: £48,266 outgoing). The charitable company has continued to fund, out of the general fund, a variety of projects and activities which are in line with its stated objectives. The level of activity for the Year was satisfactory. There was a balance of £1,554,694 (2021: £1,423,010) on the unrestricted funds at the year end. The principal restricted fund operated by the charity is the building fund. This has been used to fund the purchase and construction of the Clarendon Centre.

The main asset of the charitable company is the freehold property known as the Clarendon Centre, which is used as a church meeting place. The results of all subsidiaries - Friends First Trust, Oaks Trust and Clarendon Enterprise Trading – are consolidated into these financial statements and are included within restricted funds. The charitable company is dependent upon the continued receipt of donated income. At the Year end its financial position was satisfactory and the trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

The charity's employees' remuneration including key management personnel is set according to a salary band structure that has been established by the trustees using benchmarks with comparable organisations.



## **CLARENDON TRUST LIMITED**

### **Trustees' Report – continued**

#### **RESERVES POLICY**

Clarendon Trust's reserves policy is to maintain a sufficient level of reserves to enable operating activities to be maintained, taking account of potential risks and contingencies that may arise from time to time. The level of reserves is monitored throughout the Year and the policy is reviewed annually by the trustees. The trustees consider that the charity currently needs to maintain free reserves of three months unrestricted expenditure. At 31 August 2022, free reserves were £497,646.

The charity has a number of designated and restricted funds, details of which are given in notes 12 and 13 to the financial statements. Any funds which would only be realised by disposing of fixed assets held for charity use are also excluded from the figure for free reserves.

#### **PLANS FOR FUTURE YEARS**

Clarendon Trust Limited's key objectives for the future are to continue the communication of the Christian gospel in a clear and contextually relevant way and to develop the growing work of service to the community and internationally both through the work of the charity as an organisation and through the individual members of it. Each Year the leadership of the trust have a strategic and financial plan that is shaping major decisions.

The primary aim of this plan is to see continued growth in our online and in-person Sunday meetings, more effective care of our membership and continued outreach to those in need in our society. We'll continue to focus on leadership development to help run the increasing responsibilities as a growing multi-site church. We're also looking to further support the current church plants overseas in various ways including regular visits, training and financial resources. With regards to properties, we're planning to maintain our existing fixed assets to continue to serve our operations and projects. We want to further build capacity in our social action ministries to serve a greater number of people in the city.

#### **TRUSTEES RESPONSIBILITIES**

The trustees (who are also directors of Clarendon Trust Limited for the purposes of company law) 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).

Company law requires the trustees to prepare financial statements for each financial Year and not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that Year.



## **CLARENDON TRUST LIMITED**

### **Trustees' Report – continued**

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue on that basis.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

### **STATEMENT OF DISCLOSURE TO AUDITOR**

The trustees who are in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### **AUDITORS**

Chariot House Limited have been appointed as auditors via a resolution at the Annual General Meeting. This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by the trustees on 21<sup>st</sup> March 2023 and signed on their behalf by



Neville Jones (Chair of trustees)

21-23 Clarendon Villas, Hove  
BN3 3RE



# **INDEPENDENT AUDITORS REPORT TO THE TRUSTEES AND MEMBERS OF CLARENDON TRUST LIMITED**

## **Opinion**

We have audited the financial statements of Clarendon Trust (the 'charitable company') (the 'parent company') and its subsidiaries ('the group') for the year ended 31 August 2022 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 group's and of the parent company's affairs as at 31 August 2022 and of the group's and of the parent company's 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **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 group and the parent company 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a Year of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.



## **INDEPENDENT AUDITORS REPORT TO THE TRUSTEES AND MEMBERS OF CLARENDON TRUST LIMITED (CONTINUED)**

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial Year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company, and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on pages 5 and 6, the trustees (who are also the directors of the charitable 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, 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 group's and parent company'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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the group and parent company and the industry in which it operates, and considered the risk of acts by the group and parent company that were contrary to applicable laws and regulations, including fraud.



## **INDEPENDENT AUDITORS REPORT TO THE TRUSTEES AND MEMBERS OF CLARENDON TRUST LIMITED (CONTINUED)**

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, Charities Act 2011, and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel when considered necessary. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of management bias by the trustees that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available 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 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 auditors' 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.



John Thacker FCA DChA (Senior Statutory Auditor)  
for and on behalf of Chariot House Limited  
Chartered Accountants and Statutory Auditor  
44 Grand Parade  
Brighton  
East Sussex  
BN2 9QA

Date: 21<sup>st</sup> March 2023



# CLARENDON TRUST LIMITED

## Consolidated Statement of Financial Activities (including income and expenditure account) for the year ended 31 August 2022

	Notes	Unrestricted funds	Restricted funds	Total funds 2022	Total funds 8 months ended 31 August 2021
<b>INCOME FROM</b>		£	£	£	£
Donations and legacies	2	2,015,542	39,271	2,054,813	1,306,516
Charitable Activities					
Housing and Work Support		-	30,954	30,954	28,833
Conferences and other events		805,457	-	805,457	1,836
Trading activities		-	-	-	-
Investments		686	-	686	148
Other		-	-	-	3,549
Trading Subsidiary		141,973	-	141,973	17,057
<b>Total income</b>		<u>2,963,658</u>	<u>70,225</u>	<u>3,033,883</u>	<u>1,357,939</u>
<b>EXPENDITURE ON</b>					
Raising Funds		25,800	-	25,800	7,862
Trading Subsidiary		20,316	-	20,316	8,037
Charitable activities					
Conference costs		851,211	-	851,311	24,289
Café and Bookshop costs		-	-	-	-
Pastoral costs		1,172,927	143,504	1,316,431	906,003
Mission support costs		652,470	-	652,470	377,321
Housing and Work Support		-	122,662	122,662	82,693
<b>Total expenditure</b>	3	<u>2,722,824</u>	<u>266,166</u>	<u>2,988,989</u>	<u>1,406,205</u>
<b>Net income (expenditure)</b>		240,934	(195,941)	44,893	(48,266)
<b>Transfers between funds</b>	12/ 13	(109,250)	109,250	-	-
<b>Net movement in funds</b>		<u>131,684</u>	<u>(86,691)</u>	<u>44,893</u>	<u>(48,266)</u>
Fund balances brought forward at 1 September 2021		<u>1,423,010</u>	<u>1,217,886</u>	<u>2,640,896</u>	<u>2,689,162</u>
<b>Fund balances carried forward at 31 August 2022</b>	12	<u><u>1,554,594</u></u>	<u><u>1,131,195</u></u>	<u><u>2,685,789</u></u>	<u><u>2,640,896</u></u>

The Statement of Financial Activities reflects the results of continuing activities for the year. There were no recognised gains or losses for the Year other than those shown on the Consolidated Statement of Financial Activities.

The notes on pages 13 to 24 form part of these financial statements.



**CLARENDON TRUST LIMITED**

Company number 3546759

**Balance Sheets at 31 August 2022**

	Notes	2022 Group £	2021 Group £	2022 Charity £	2021 Charity £
<b>FIXED ASSETS</b>					
Tangible assets	6	1,601,795	1,709,139	1,601,795	1,709,139
<b>CURRENT ASSETS</b>					
Debtors	7	91,522	118,631	118,126	168,592
Cash at bank and in hand		1,544,447	1,011,390	1,320,643	856,710
		<u>1,635,970</u>	<u>1,130,021</u>	<u>1,438,769</u>	<u>1,025,301</u>
<b>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	8	<u>(320,099)</u>	<u>(198,264)</u>	<u>(256,117)</u>	<u>(147,575)</u>
<b>NET CURRENT ASSETS</b>		<u>1,315,971</u>	<u>931,757</u>	<u>1,182,652</u>	<u>877,726</u>
<b>CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR</b>	9	<u>(231,876)</u>	<u>-</u>	<u>(231,876)</u>	<u>-</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS</b>		<u><u>2,685,789</u></u>	<u><u>2,640,896</u></u>	<u><u>2,552,571</u></u>	<u><u>2,586,865</u></u>
<b>FUNDS</b>					
<b>Unrestricted funds</b>					
General funds	12	578,658	527,131	518,166	588,145
Designated funds	12	975,936	895,879	975,936	895,879
<b>Restricted funds</b>	13	<u>1,131,195</u>	<u>1,217,886</u>	<u>1,058,469</u>	<u>1,102,841</u>
<b>TOTAL FUNDS</b>	14	<u><u>2,685,789</u></u>	<u><u>2,640,896</u></u>	<u><u>2,552,571</u></u>	<u><u>2,586,865</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the trustees, signed on their behalf by and authorised for issue on 21<sup>st</sup> March 2023



Neville Jones (Chair of trustees)

The notes on pages 13 to 24 form part of these financial statements.



# CLARENDON TRUST LIMITED

## Consolidated Cash Flow Statement for the year ended 31 August 2022

	2022		2021	
	£	£	£	£
<b>Reconciliation of net movement in funds to net cash flows from operating activities</b>				
Net movement in funds	44,893		(48,266)	
Investment income	(686)		(148)	
Depreciation	87,145		106,566	
Decrease in stock	-		-	
(Increase)/Decrease in debtors	27,108		(14,443)	
Increase/(decrease) in creditors	108,767		38,972	
<b>Net cash inflow (outflow) from operating activities</b>		267,228		82,680
<b>Returns on investments and servicing of finance</b>				
New Loan in the year	250,000			
Loan Repayments in the year	(5,056)			
Investment income received	686		148	
<b>Net cash inflow from returns on investments and servicing of finance</b>		245,629		148
<b>Capital expenditure</b>				
Purchase of tangible fixed assets	-		-	
Disposal of tangible fixed assets	20,199		-	
<b>Net cash outflow from capital expenditure</b>		20,199		-
<b>Increase/(decrease) in cash in the Year</b>		533,057		82,828
<b>Reconciliation of net cash flow to movement in net cash funds</b>				
Net funds at beginning of the Year		1,011,390		928,562
Change in net funds during the Year		533,057		82,828
<b>Net funds at end of the Year</b>		1,544,447		1,011,390

The notes on pages 13 to 24 form part of these financial statements.



## **CLARENDON TRUST LIMITED**

### **Notes to the Financial Statements for the year ended 31 August 2022**

#### **1 ACCOUNTING POLICIES**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### **(a) Basis of preparation**

Consolidated accounts have been prepared which consolidate the results of Clarendon Trust Limited, Friends First Trust and Oaks Trust on a line by line basis. A separate Statement of Financial Activities, or Income and Expenditure Account, has not been presented for the charitable company itself as it has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The gross income of Clarendon Trust Limited itself was £2,821,872 (2021: £1,256,950) and its net incoming resources were £74,805 (2021: outgoing £18,079).

##### **(b) Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees consider that the Covid19 pandemic will not have a significant impact on the charity's core funding from its members as past experience has shown this has remains fairly constant regardless of financial conditions. Income from trading activities is expected to reduce due to the lockdown conditions and steps are being taken to make cost savings. The trustees regard any impact to be short term rather than affecting the charity's ability to continue as a going concern. There are no material uncertainties affecting the current Year's accounts.

##### **(c) Incoming resources**

Income is recognised when the charity 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.

##### **(d) Donations**

Donations received are recognised in the statement of financial activities when received together with any related tax credits.



## **CLARENDON TRUST LIMITED**

### **Notes to the Financial Statements for the year ended 31 August 2022**

#### **(e) Resources expended**

Expenditure is allocated between cost of generating funds, charitable expenditure, support costs and the cost of management and administration of the charitable company on an accruals basis. 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. Overhead and Support costs have been allocated to charitable activities. Staff costs are apportioned on the basis of actual time spent.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office and governance costs. They are incurred directly in support of expenditure on the objects of the charity.

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.

#### **(f) Fixed assets and depreciation**

Freehold property and fixtures, fittings and office equipment are capitalised at their historic cost and stated at cost less depreciation. Freehold buildings are depreciated to write down the cost less estimated residual value over their remaining useful life by equal annual instalments. No depreciation is charged on freehold land.

Depreciation is taken in full in the first Year and calculated to write off the cost less estimated residual value on a written down basis over their estimated useful lives. The rates are:

Freehold Property	2%
Fixtures, Fittings and Office Equipment	20%
Motor Vehicles	30%

#### **(g) Financial instruments**

The charity 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.

#### **(h) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### **(i) Voluntary assistance**

A certain amount of time is expended on the charitable company's activities which is donated free of charge. It is not possible to quantify the value of the time given, and accordingly it is neither recorded as donated income nor as an expense in the financial statements.



## **CLARENDON TRUST LIMITED**

### **Notes to the Financial Statements for the year ended 31 August 2022**

#### **(j) Leases**

Equipment acquired under finance leases are capitalised in the balance sheet at an amount representing the capital element of the related rental payments. The interest element of these obligations is charged to the Statement of Financial Activities over the relevant Year. The capital element of the future payments is treated as a liability. The equipment is depreciated over the shorter of the lease term and its expected useful life of the asset.

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

#### **(k) Stock**

Stock is stated at the lower of cost and net realisable value. Cost is calculated using the first-in-first-out method and consists of the direct cost of books, compact discs and tapes. Net realisable value is calculated on the basis of estimated selling price less all expected costs to be incurred in selling.

#### **(l) Taxation**

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

No tax charge arose in the Year.

#### **(m) Pensions**

The charitable company contributes to defined contribution pension schemes. The charge to the Consolidated Statement of Financial Activities for 2022 was £88,608 (2021: £56,218).

#### **(n) Fund accounting**

An explanation of the nature and purpose of each fund is included in the notes to the financial statements. Funds held by the charity are either:

*Unrestricted general funds* - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

*Designated funds* - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

*Restricted funds* - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.



# CLARENDON TRUST LIMITED

## Notes to the Financial Statements for the year ended 31 August 2022

### 2 VOLUNTARY INCOME

	2022	2021
	£	£
Donations and other funding	2,015,542	1,271,390
Restricted donations and grants	39,271	35,126
	<u>2,054,813</u>	<u>1,306,516</u>

### 3 TOTAL RESOURCES EXPENDED

	Depreciation	Staff	Other	Total	Total
	£	Costs	Costs	2022	2021
	£	£	£	£	£
Conference costs	7,007	32,952	811,352	851,311	24,289
Fundraising and publicity	-	21,968	3,833	25,800	7,862
Pastoral costs	71,378	762,811	482,242	1,316,431	906,003
Mission Support costs	8,760	336,990	306,720	652,470	377,321
Housing and Work Support	-	55,997	66,664	122,662	82,693
Trading Subsidiary Expenditure	-	-	20,316	20,316	8,037
	<u>87,145</u>	<u>1,210,718</u>	<u>1,691,126</u>	<u>2,988,989</u>	<u>1,406,205</u>

The amounts paid to auditors comprised:

	2022	2021
	£	£
Audit fees	12,820	11,295
Other services	4,183	3,071
	<u>17,003</u>	<u>14,366</u>

The following grants were made in 2021/22:

- Newfrontiers Ukraine Appeal: £30,000
- Janusz Lasz (Krakow Church plant): £19,250
- Gospel Collective Church Bath: £20,000
- Jubilee+: £2,500
- The Keys Project: £2,500
- Home for Good: £2,000



## CLARENDON TRUST LIMITED

### Notes to the Financial Statements for the year ended 31 August 2022

#### 4 TRUSTEES

In accordance with the charitable company's Memorandum and Articles of Association, the following trustees received a salary from the charitable company during the Year:

	Salary		Pension	
K Ball	£23,703	(2021 – £4,611)	£1,659	(2021 – £323)
S J Horne	£49,445	(2021 – £32,190)	£5,933	(2021 – £3,863)
N Jones	£49,895	(2021 – £32,190)	£7,484	(2021 – £4,829)

All Pension contributions were paid under a defined contribution scheme.

In addition, remuneration was paid to one related party amounting to £5,080 (2021: £3,277) as permitted by the constitution.

The related parties are:

- Jacqui Jarvis (contracted services for counselling work, married to P Jarvis)

There were no reimbursed expenses paid to trustees (2021: nil).

#### 5 STAFF COSTS

Group	2022 £	2021 £
Gross salaries	1,022,926	625,487
Social security costs	99,184	61,208
Pension costs	88,608	56,218
	<u>1,210,718</u>	<u>742,912</u>

Total paid to key management personnel was £310,211 (2021: £195,677).

The average number of persons employed by the group during the year was as follows:

	2022 Number	2021 Number
Pastoral and Mission Support	17	19
Buildings/Lettings	4	3
Housing and Work Support	2	2
Support and administration	6	6
	<u>29</u>	<u>30</u>

No employees had emoluments in excess of £60,000: nil (2021: nil).



# CLARENDON TRUST LIMITED

## Notes to the Financial Statements for the year ended 31 August 2022

### 6 TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, fittings and office equipment £	Total £
<b>COST</b>			
Parent Company			
At 1 August 2021	3,112,637	1,316,253	4,428,890
Disposals	-	(761,303)	(761,303)
At 31 August 2022	<u>3,112,637</u>	<u>554,950</u>	<u>3,667,587</u>
Subsidiary at 1 August 2021	-	-	-
Additions	-	-	-
Subsidiary at 31 August 2022	-	-	-
Group at 31 August 2022	<u>3,112,637</u>	<u>554,950</u>	<u>3,667,587</u>
<b>ACCUMULATED DEPRECIATION</b>			
Parent Company			
At 1 August 2021	1,539,747	1,180,004	2,719,751
Charge for the Year	52,107	35,038	87,145
Disposals	-	(741,104)	(741,104)
At 31 August 2022	<u>1,591,854</u>	<u>473,938</u>	<u>2,065,792</u>
Subsidiary			
At 1 August 2021	-	-	-
Charge for the Year	-	-	-
At 31 August 2022	-	-	-
Group at 31 August 2022	<u>1,591,854</u>	<u>473,938</u>	<u>2,065,792</u>
<b>NET BOOK VALUES</b>			
Parent Company at 31 August 2022	<u>1,520,783</u>	<u>81,012</u>	<u>1,601,795</u>
Subsidiary at 31 August 2022	-	-	-
Group at 31 August 2022	<u>1,520,783</u>	<u>81,012</u>	<u>1,601,795</u>
At 31 August 2021	<u>1,572,890</u>	<u>136,249</u>	<u>1,709,139</u>

A mortgage from Stewardship Services (UKET) Limited is secured by a fixed charge on the Oasis property on Hangleton Way, Hove, BN3 8EQ.



**CLARENDON TRUST LIMITED****Notes to the Financial Statements for the year ended 31 August 2022****7 DEBTORS**

	<b>2022 Group £</b>	<b>2021 Group £</b>	<b>2022 Charity £</b>	<b>2021 Charity £</b>
<b>DUE WITHIN ONE YEAR</b>				
Other debtors	73,325	36,939	112,126	87,369
Prepayments and accrued income	18,197	81,692	6,000	81,222
	<u>91,522</u>	<u>118,631</u>	<u>118,126</u>	<u>168,592</u>

**8 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2022 Group £</b>	<b>2021 Group £</b>	<b>2022 Charity £</b>	<b>2021 Charity £</b>
Taxation and social security	105	(1,634)	(8,728)	(5,985)
Bank loan	13,068	-	13,068	-
Accruals and deferred income	306,926	199,899	251,777	153,560
	<u>320,099</u>	<u>198,264</u>	<u>256,117</u>	<u>147,575</u>

**9 CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR**

	<b>2022 Group £</b>	<b>2021 Group £</b>	<b>2022 Charity £</b>	<b>2021 Charity £</b>
Bank loan	231,876	-	231,876	-
	<u>231,876</u>	<u>-</u>	<u>231,876</u>	<u>-</u>



## CLARENDON TRUST LIMITED

### Notes to the Financial Statements for the year ended 31 August 2022

#### 10 LOANS

An analysis of the maturity of the loan is given below:

	2022 £	2021 £
Amounts falling due with one year on demand Mortgage	13,068	-
Amounts falling due between one and two years Mortgage – 1-2 years	13,552	-
Amounts falling due between two and five years Mortgage – 2-5 years	43,744	-
Amounts falling due in more than five years Mortgage	174,580	-

#### 11 SECURED DEBTS

The following secured debts are included within creditors:

	2022 £	2021 £
Mortgage	244,944	-

The charity has a mortgage loan with Stewardship Services (UKET) Limited of £244,944 (2021: £Nil). The loan is repayable over a Year of 15 years until 25 March 2037. The interest rate on the loan is 4.25%.

#### 12 UNRESTRICTED FUNDS

Group and Charity	Balance at 1 September 2021	Movement in resources			Balance at 31 August 2022
	£	Incoming £	Outgoing £	Transfers £	£
<b>Designated fund</b>					
Gift Day fund	-	418,484	(34,734)	(195,962)	187,788
Maintenance fund	4,413	-	-	-	4,413
Newday Offering fund	42,364	65,748	(355)	(42,364)	65,393
Contingency fund	55,414	11,991	(117,697)	292,430	242,138
Social Action funds	85,755	3,777	(17,638)	5,228	77,122
Ministry funds	47,336	12,514	(19,755)	37,558	77,653
Church Planting funds	116,333	29,451	(95,080)	-	50,704
Sphere Contingency & Opportunities	69,064	22,460	(20,155)	(21,000)	50,369
Oasis Building fund	475,200	-	(9,900)	(244,944)	220,356
<b>General fund</b>	527,131	2,399,233	(2,407,510)	59,804	578,658
	1,423,010	2,963,658	(2,722,824)	(109,250)	1,554,594



# CLARENDON TRUST LIMITED

## Notes to the Financial Statements for the year ended 31 August 2022

Group and Charity	Balance at 1 January 2021	Movement in resources			Balance at 31 August 2021
	£	Incoming £	Outgoing £	Transfers £	£
<b>Designated fund</b>					
Gift Day fund	127,559	182,667	(971)	(309,255)	-
Maintenance fund	4,413	-	-	-	4,413
Newday Offering fund	76,159	25	-	(33,820)	42,364
Contingency fund	193,909	4,493	(166,489)	23,500	55,414
Social Action funds	75,953	965	(10,431)	19,268	85,755
Ministry funds	29,819	16,471	(9,585)	10,631	47,336
Church Planting funds	51,842	11,438	(66,947)	120,000	116,333
Sphere Contingency & Opportunities	-	-	-	69,064	69,064
Oasis Building fund	485,100	-	(9,900)	-	475,200
<b>General fund</b>	395,334	1,077,920	(979,943)	33,820	527,131
	<u>1,440,088</u>	<u>1,293,979</u>	<u>(1,244,266)</u>	<u>(66,790)</u>	<u>1,423,010</u>

The **Gift Day fund** is the balance of monies raised through three Gift Days/giving campaigns during the Year and allocated but not yet spent.

The **Maintenance fund** has been established for the continuing investment into Emmanuel's fixed assets.

The **Newday Offering fund** represents donations taken up at the annual Newday youth event and are designated for the furtherance of the mission of the event.

The **Contingency fund** was set aside from the surpluses of Gift Day funds to meet the costs of any items that fit into the aims of gift days but which arose on a more ad hoc basis.

The **Social Action funds** represent funds relating to various social engagement projects and ministries including Christian Action Brighton, Friends First funds and Care for our City funds.

The **Ministry funds** represent funds relating to various activities to support church members including pastoral needs, youth funds, church conferences and events.  
difficulty.

The **Church Planting funds** represent funds to support specific church plants in Krakow, Belfast and Bath.

The **Sphere Contingency & Opportunities fund** represents donations for supporting future opportunities for church planting and other projects related to Emmanuel's growing partnership with other churches.

The **Oasis Building fund** is represented by the building of the Oasis.



# CLARENDON TRUST LIMITED

## Notes to the Financial Statements for the year ended 31 August 2022

### 13 RESTRICTED FUNDS

Group	Balance at 1 September 2021	Movement in resources			Balance at 31 August 2022
	£	Incoming £	Outgoing £	Transfers £	£
Building fund	1,097,690	-	(42,207)	-	1,055,483
Ottawa fund	5,151	188	(2,353)	-	2,986
Charity sub total	1,102,841	188	(44,560)	-	1,058,469
Oaks Trust	78,138	39,084	(98,945)	16,000	34,277
Friends First	36,907	30,954	(122,662)	93,250	38,449
	1,217,886	70,225	(266,126)	109,250	1,131,195

Group	Balance at 1 January 2021	Movement in resources			Balance at 31 August 2021
	£	Incoming £	Outgoing £	Transfers £	£
Building fund	1,139,897	-	(42,207)	-	1,097,690
BSL course	13	-	(13)	-	-
Ottawa fund	10,181	569	(5,599)	-	5,151
Charity sub total	1,150,091	569	(47,819)	-	1,102,841
Oaks Trust	70,217	34,557	(31,426)	4,790	78,138
Friends First	28,767	28,833	(82,693)	62,000	36,907
	1,249,075	63,959	(161,938)	66,790	1,217,886

The **Building fund** is represented by the building and the establishment of the Clarendon Centre.

The **Ottawa fund** donations for supporting a specific church plant.

**Oaks Trust** is a subsidiary charity focusing on social engagement which currently covers the activities of the Shoreham, Hove and Clarendon Centre Foodbanks.

**Friends First** is a subsidiary charity focusing on housing support and work training for the socially marginalised and homeless.

# CLARENDON TRUST LIMITED

## Notes to the Financial Statements for the year ended 31 August 2022

### 14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Tangible fixed assets £	Net current assets £	Long term liabilities £	Total £
<b>Restricted funds</b>				
Building fund	1,055,483	-	-	1,055,843
Ottawa fund	-	2,986	-	2,986
	<u>1,055,483</u>	<u>2,986</u>	<u>-</u>	<u>1,058,469</u>
Charity sub total	<u>1,055,483</u>	<u>2,986</u>	<u>-</u>	<u>1,058,469</u>
<b>Subsidiaries</b>				
Oaks Trust	-	34,277	-	34,277
Friends First	-	38,449	-	38,449
	<u>-</u>	<u>38,449</u>	<u>-</u>	<u>38,449</u>
<b>Unrestricted funds</b>				
General funds	81,012	497,646	-	578,658
Designated funds	465,300	742,513	(231,876)	975,936
	<u>1,709,139</u>	<u>1,315,971</u>	<u>(231,876)</u>	<u>2,685,889</u>

### 15 COMMITMENT

At 31 August 2022, the group was committed to making the following payment under a non-cancellable operating lease in the Year to 31 August 2022:

	2022 £	2021 £
Total future minimum lease commitment	-	£1,007

### 16 SUBSIDIARIES

During 2003, the activities of the Housing and Work Support were taken over by Friends First (Company number: 4402061, Charity number: 1094827), a subsidiary under the control of Clarendon Trust Limited. The net surplus funds of this subsidiary at 31 August 2022 were £38,449 (2021: 36,907). During the Year ended 31 August 2022, Friends First generated incoming resources of £30,954, received £93,250 in transfers from Clarendon Trust and expended resources of £122,662.

During 2014, the activities of the Foodbank were transferred to Oaks Trust (Company number: 8286100, Charity number: 1150372), a subsidiary under the control of Clarendon Trust Limited. The net surplus funds of this subsidiary at 31 August 2022 were £34,277 (2021: £78,138). During the Year ended 31 August 2022, Oaks Trust generated incoming resources of £39,084, received £16,000 from Clarendon Trust and expended resources of £98,945.



## **CLARENDON TRUST LIMITED**

### **Notes to the Financial Statements for the year ended 31 August 2022**

During 2019, the lettings and café activities were transferred to Clarendon Enterprise Trading Ltd (Company number: 11973917). The surplus of this subsidiary at 31 August 2022 was £59,408 (2021: deficit of £62,189). During the year ended 31 August 2022, Clarendon Enterprise Trading Ltd generated incoming resources of £141,973 and expended resources of £20,316.

The registered offices for all these companies is 21-23 Clarendon Villas, Hove, East Sussex, BN3 3RE.

#### **17 RELATED PARTY TRANSACTIONS**

The charity has taken advantage of the exemption conferred by Financial Reporting Standard No. 8 "Related Party Transactions" not to disclose transactions with undertakings in which 100% or more of the voting rights are controlled by Clarendon Trust Limited. These undertakings results have been included within the consolidated financial statements of Clarendon Trust Limited. Details of other related party transactions are included in note 4.