

CHALFONT ST PETER

CURATE'S ENDOWMENT FUND

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 DECEMBER 2022

Charity registration number: 1093547

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INTRODUCTION

This report is submitted to the Charity Commission for the year to 31 December 2022.

The accounts accompanying this report have been prepared in accordance with the accounting policies set out in Note 1 attached thereto.

AIMS AND PURPOSE

The Curate's Endowment Fund is a public benefit charitable trust whose overall charitable objective is to further the religious and other charitable work of the Church of England in the Parish of Chalfont St Peter for the benefit of the whole community. Specifically, relevant Charity Commission methodology classifications are:

- Provides Buildings/Facilities/Open Space
- Makes grants to organisations

with provision of the following services:

- Religious activities
- Accommodation/housing
- to other charities or voluntary bodies

The Endowment Fund is held by Diocesan Trustees (Oxford) Limited, and the Chalfont St Peter PCC ("the trustees") is the Managing Trustee. During 2020, the trustees continued to manage the Fund with the following objectives:

- To preserve and enhance the value of the Fund.
- To provide accommodation for the benefit of Charity No.1146043 - The Parochial Church Council Of The Ecclesiastical Parish Of Chalfont St Peter ("The PCC") – itself focused upon religious activities
- To make grants as and when prudent for the benefit of other charities or other voluntary bodies.

The trustees anticipate no unusual fund-raising activities during 2023 but have made the decision to continue with the let of the property, 67 Fieldway, for a minimum period of one year. Subject to satisfactory returns on investment, they intend to make further grants to the Chalfont St Peter PCC, particularly from letting income, while maintaining the value of the Fund.

PERFORMANCE

Value

The Fund is largely invested in the property at 67 Fieldway, Chalfont St Peter, SL9 9QS. The property is in generally good condition following substantial work in 2014 and reconstruction of the raised patio, associated retaining walls and steps in 2016. The tenants have raised concern regarding internal damp. Part has been identified as a consequence of a blocked valley gutter and cured, while investigations are in hand to ascertain whether further work is required. The chimney needs repointing and PCC are allowing for some more substantial maintenance expenditure in 2023.

There was no significant expenditure on property maintenance in the year 2022.

The property was valued by two experienced estate agents in the village in the autumn of 2020 at £600,000 – £650,000 and the lower value was included in the accounts. Local estate agents with knowledge of the road, advise an increase of 13% (i.e. to £678,000). The insured "rebuild" value is £469,361.

The balance of the Fund's investments provided a total annual return (unrealised gain/(loss) plus interest and dividends) in the year of minus 8.89% (2021 = 17.28%, 2020 = 9.67%, 2019 = 22.15%). In view of its low interest rate, the deposit account was used in the year to augment grants to the PCC.

Accommodation

As planned and noted within the 2020 Annual Report, arrangements with the Diocesan Trustees (Oxford) Limited to let the property were completed and tenants took occupation on 29th January 2021. Relationships with the tenants have remained good and the trustees intend to negotiate a renewal of the lease for another year.

Grants

The trustees made Grants to the PCC totalling £39,425 funded by letting income, dividends and release of £7,000 from deposit account.

FINANCIAL REVIEW

Overview

Overall, the year ended with an increase in funds of £27,312 (2021 = £47,508; 2020 = £220,958) comprising:

- operating profit/(loss) including rental income, less grants, of (10,685), (2021= profit £4,567; 2020 = profit £2,341)
- unrealised gain/(loss) on investments of (£40,003) (2021= gain £42,910; 2020 = gain £18,647)
- revaluation of property of £78,000 (2021 = nil; 2020 = £200,000)

Total funds at 31st December 2022 comprised:

● Property:	£678,000
● Investments:	£301,335
● <u>Cash at Bank:</u>	<u>£4,338</u>
TOTAL:	£983,673

Budget Forecasting

The Fund's finances are relatively simple. As noted, some building maintenance expenditure is anticipated in the year ahead and income from letting is considered reasonably secure. The trustees therefore anticipate that the Fund will again be able to make further grants to the PCC while covering routine maintenance costs and retaining a small surplus.

Reserves Policy

Such reserves as the Trustees consider necessary for foreseeable eventualities were previously held within the current and deposit accounts. However, noting the substantial sum growing in the investment portfolio and small return on the deposit account, it was decided that sale of investments could be allowable in the event of unforeseen costs arising.

The Trustees consider the Fund's property and investment portfolio as unavailable for any foreseeable operational expenditure and to be maintained for its charitable activities. They are not therefore regarded as viable reserves for

operational purposes although, if called for by the PCC, and with an effect on operational performance, significant assets could be realised. The Trustees do not currently intend to place further funds into long-term investment.

Risk Policy

The Trustees review risks to the Fund's affairs and currently identify the following and have appropriate actions in place as noted below:

- Domestic Risks: The primary asset of the Fund is its property at 67 Fieldway, which is used as a family home. Normal domestic landlord risks – Fire and Theft (of the limited Fund chattels), Health & Safety are insured with the Ecclesiastical Insurance Group
- Weather: Roofs and drains are periodically checked.
- Deterioration of Fabric: The PCC reviews and maintains buildings and fixtures as required.
- Financial Insecurity affecting ability as an on-going concern: A Finance Committee meets regularly to review matters of income and expenditure and reports to the PCC through quarterly Accounts and written overview.
- Poor performance of the financial and housing property markets as seen in 2018 are ongoing risks to the portfolio but, in the long term, sustained increase in both, as in the past, is anticipated.

STRUCTURES, GOVERNANCE AND MANAGEMENT

Trustees

The Managing Trustee of the Fund is the Parochial Church Council of the Parish of Chalfont St Peter. The method of appointment of PCC members is set out in the Church Representation Rules. All those who attend its services are encouraged to register on the electoral roll and stand for election to the PCC. Induction of new Trustees is facilitated by a welcome address at the first PCC meeting of the new year, comprehensive guidance on Diocesan websites and occasional, voluntary training courses run by the Diocese.

PCC members who served at any time from 1 January 2022 to 31st December 2022

Incumbent: period)	Revd. John Goodman	(Absent f during part
Clergy: Dec)	Revd. Wendy Graham	(Co-opted to May + from
Dec)	Revd. Jim King	(Co-opted to May + from
Licensed Lay Ministers:	Miss Lydia Lee	(To August)
Churchwardens:	Mr. Bob Older	(To May)
	Mrs Clair McCoy	(To May)
	Mrs Lorraine Hardy	(From May)
Elected members of Deanery Synod:		

Elected 2020
Co-opted 2020
Vacancy

Mrs Mary Webster
Mrs Ann Geary

Elected Lay Members of PCC

Elected 2018 (re-elected May)	Dr. Michael Baxendine	(Lay Chairman)
	Mr. John Harwood Mr. Richard Simon	(To April)
Elected 2019	Mr. Timothy Mears	
Elected 2020	Mr. Grenville Dixie Mrs Meriel Garnham Mr. Ian Hackett Mrs Sheila Johnson Mrs Jessica Redman Mrs Ann Middleton Mrs Johanna Dickinson	(To April) (To May)
Elected 2021	Mrs Ann Geary Dr. Michael Baxendine	
Elected 2022	Mrs Paddy Hague Mr. Kenneth Hodgson Mr. Nicholas Thompson Mrs Alexandra Rice	(To December)

Independent Examination

Although total income (£29,186 exceeded the £25,000 threshold, net income/expenditure, (excluding revaluation of property) after grant-making was (£10,685) in the period – i.e. less than £25,000. The Trustees have not commissioned an independent examination. (In 2016 the charge for independent examination - £1,692 - increased the Fund's overall costs by 17% and in view of this disproportionate charge, the Trustees have subsequently not submitted the Fund's accounts to independent examination)

ADMINISTRATIVE INFORMATION:

The correspondence address is Church Office, Church Lane, Chalfont St Peter, Bucks SL9 9RJ

Telephone: 01753 880067

The registered charity number is 1093547

RELEVANT ORGANISATIONS

Bank: Barclays, Market Place Chalfont St Peter

Insurers: Ecclesiastical, Beaufort House, Brunswick Road, Gloucester.

Approved by order of the Trustees on (date of approval)

and signed on their behalf by (name)

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Position.....
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Signature.....
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STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 DECEMBER 2020

INCOME		2022 £	2021 £	2020 £
Dividends	2	8,969	8,674	8376
Property Rental		20,175	17,730	-
Retained Interest	2	42	4	30
TOTAL INCOME		29,186	26,408	8,406
Costs of Generating Investment income				
Property related costs (incurred out with the provision of accommodation for ministry team)				
Property & Equipment maintenance		-	1,534	1,847
Insurance		446	407	96
Property Management costs		-	519	898
Property running costs (incurred in provision of accommodation for clergy)				
Property Maintenance		-	-	696
Insurance		-	-	291
Council Tax and Water		-	(27)	2,237
Grantmaking				
Grants to PCC	3; 7.2; 9	39,425	19,377	3,000
TOTAL EXPENDITURE		39,871	21,810	9,065
NET INCOME/(EXPENDITURE)	8	(10686)	(5,734)	(658)
GAINS (LOSSES) ON INVESTMENTS				
- Unrealised	6	(40,003)	42,910	18,647
REVALUATION OF PROPERTY	6	78,000	-	200,000
NET MOVEMENT IN FUNDS	8	27,313	47,508	217,988
FUND BALANCE BROUGHT FORWARD	8	956,391	908,883	687,895
FUND BALANCE CARRIED FORWARD	8	983,673	956,391	905,854

BALANCE SHEET YEAR ENDED 31 DECEMBER 2020

	Note	2022 £	2021 £	2020 £
FIXED ASSETS - PERMANENT ENDOWMENT				
Tangible fixed assets	2,4	678,000	600,000	600,000
Investments	2,4,5,6	301,335	341,338	298,428
TOTAL FIXED ASSETS	4	979,335	941,338	898,428
CURRENT ASSETS - UNRESTRICTED	8			
Deposit	3	122	7,080	7,076
Cash at bank and in hand	3	4,216	7,943	3,380
TOTAL CURRENT ASSETS	8	983,673	956,361	687,895
CURRENT LIABILITIES - UNRESTRICTED	7			
Creditors	7.1		0	(30)
Accruals	7.2		0	(3,000)
NET ASSETS		983,673	956,361	905,854

The financial statements were approved by the Trustees and authorised for issue on
signed on their behalf by (name)

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Position.....
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Signature.....
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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value except for investment assets, which are shown at fair value.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved adoption of the 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) as amended by the Update Bulletin 1 for accounting periods beginning on or after 1 January 2016 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has been withdrawn. The financial statements are prepared in accordance with the Charities Act 2011.

The Curate's Endowment Fund constitutes a public benefit entity as defined by FRS 102. The trustees consider that there are no material uncertainties about the Curate's Endowment Fund's ability to continue as a going concern. With respect to the next reporting period, the most significant areas of uncertainty are the maintenance of investment income at current levels plus inflation and the sufficiency of budgeted allowances for upkeep of fabric and infrastructure.

2. INCOME

2.1 Investment Income

Dividends and interest are accounted for when due and payable. Tax recoverable on such income is recognised in the same accounting year.

Rental income from the letting of the Fund property is recognised when the rental is due.

2.2 Gains and losses on investments

Realised gains or losses are recognised when the investments are sold.

Unrealised gains or losses are accounted for on revaluation of investments at 31st December.

3. EXPENDITURE

Grant Making

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the charity.

4. FIXED ASSETS

4.1 Tangible Fixed Assets

The property owned by the fund is valued at the market value when last valued as at 31st December 2020. No depreciation is provided for. Any permanent change in value will be accounted for when the property is next revalued.

4.2 Investments

Investments are valued at market value at 31st December each year

4.3 Current Assets

Amounts owing to the Fund at 31st December in respect of fees, rents or other income are shown as debtors less provision for amounts that may prove uncollectable.

4.4 Classification of Assets

Fixed assets, representing capital in the fund are classified 'permanent endowment'. Current assets, representing retained income are classified 'unrestricted'.

5. PROPERTY

The property was occupied by a church staff member, free of charge, until mid-October 2020 and, after necessary preparations, was let to third parties from 29th January 2021.

6. RETURN ON INVESTMENT (ROI)

Investment	2022	2021	2020
67 Fieldway	13%	n/a	50%
Invested Funds	(8.89%)	17.28%	9.67%

The return on 67 Fieldway reflects revaluation in 2022 with previous valuation in 2020 – an average in the period since last valuation of 6.5%

Investments comprise shares in the Church of England Central Board of Finance (CBF) Income Fund managed by CCLA. Total Annual Return on investments includes unrealised Gains/Losses and Dividend

31st December 2022			31st December 2021		
No. of Shares	Market Value	Historical Cost	No. of Shares	Market Value	Historical Cost
14,595	£301,335	£64,885	14,595	£341,338	£64,885

Shares were originally purchased in 1988

7. LIABILITIES

7.1 Creditors None

7.2 Accruals None

8. MOVEMENT IN FUNDS

	Opening	Income	Expenditure	Investment Gain/(Loss)	Closing
Endowment	941,338	-	-	37,997	979,335
Unrestricted	15,023	29,186	(39,872)	-	4,338
TOTAL	956,361	29,186	(39,872)	37,997	983,673

9. TRUSTEE REMUNERATION

None of the trustees or the key management of the PCC or related persons received any remuneration or reimbursement of expenses from the Fund during the year (2021: £Nil).