

COMPANY REGISTRATION NUMBER: 08008192

CHARITY REGISTRATION NUMBER: 1147262

The Cherith Trust
Company Limited by Guarantee
Unaudited Financial Statements
5 April 2023

MURAS BAKER JONES LIMITED

Chartered accountants
Regent House
Bath Avenue
Wolverhampton
West Midlands
WV1 4EG

The Cherith Trust

Company Limited by Guarantee

Financial Statements

Year ended 5 April 2023

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The Cherith Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 5 April 2023

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 5 April 2023.

Reference and administrative details

Registered charity name	The Cherith Trust
Charity registration number	1147262
Company registration number	08008192
Principal office and registered office	Cherith House 1 Meadow Street Cradley Heath West Midlands B64 6PB

The trustees

P E Hickman	
M J Martin	
P S Stonelake	
B P Sheldon	
N Sheldon	
T J Hayward	
D K Mansell	
L C Field	(Appointed 23 June 2022)
Mr A T Cole	(Appointed 10 March 2023)

Company secretary	B P Sheldon
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Independent examiner	Mr T P Brueton FCA Muras Baker Jones Limited Regent House Bath Avenue Wolverhampton West Midlands WV1 4EG
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The Cherith Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 5 April 2023

Structure, governance and management

Constitution

The Cherith Trust was incorporated on 27 March 2012 as a company limited by guarantee under Company No. 08008192. The company is registered as a charity with the Charity Commission, with registration number 1147262.

Objects of the Cherith Trust

The objects of the Charity are summarised as:

1. The furtherance of the Protestant Christian Religion by any means which its Trustees may think fit.
2. The provision of a supportive, pastoral-style ministry aimed at alleviating loneliness, to elderly and frail Christian persons amongst chapels and churches in the community of the West Midlands known as the Black Country through its visiting volunteer group or other support groups and any permanent meeting and hospitality facility.

Trustees

The trustees who served during the year are set out on page 1. New Trustees are appointed by the existing trustees.

Statement of Trustees responsibilities

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the year end and for the incoming resources and resources expended during that year. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which 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 Charities Act 2011. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Risk review

The Trustees actively review major risks which the charity faces on a regular basis. They believe that they have appropriate control and financial systems in place to deal with risk. The Trustees do not believe that the charity currently has any significant operating risks.

The Cherith Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 5 April 2023

Objectives and activities

The objectives of The Cherith Trust are to provide care and a pastoral-style ministry and befriending services to elderly and frail persons.

The Home Visitation Ministry team of volunteers has, under the guidance of the Co-ordinator and Assistant co-ordinator made regular visits to elderly people in the area of the West Midlands known as the Black Country. In addition, Cherith House provides a wide range of fellowship and hospitality functions and activities.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

The trustees give thanks to God that 2023 marks 50 years since the inception of the Cherith Trust, and the Trustees intend to mark the occasion with a thanksgiving service in October 2023.

Achievements and performance

Feedback from our elderly friends and their relatives continues to be encouraging. The home visits, which include a time of fellowship, Bible reading and prayer, are greatly appreciated.

During the period regular fellowship and hospitality meetings were held at Cherith House for the benefit of elderly friends associated with local places of worship.

Activities held throughout the period at Cherith House have included coffee and craft mornings, hymn singing afternoons, presentations of historical photographs and events, personal musings and photographs by various of the Trust's supporters, and musical events, as well as visits to local venues such as garden and craft centres for those of our clients who are able to do so. The facility is welcomed in the community.

The first floor of Cherith House comprises a self-contained one bedroom flat which is rented out at a commercial rent.

The Cherith Trust

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 5 April 2023

Financial review

Expenditure has exceeded income for a further year owing to the poor investment conditions prevailing during the period, combined with a need for two staff members in order to fulfil the objectives of The Cherith Trust. The deficit was budgeted for, and the Trustees are actively considering alternative investment income streams, combined with tight cost control where possible. Reviews of the financial policy were conducted at appropriate times during the period, with the Trustees concluding that the current investment strategy was prudent and suitable for the time being. Sufficient funds exist to ensure that The Cherith Trust can continue in operation for the foreseeable future, with the aim of the Trustees being to ensure parity between income and expenditure in coming years. The Trustees are hopeful that rising interest rates will result in better investment returns on the Trust's building society accounts, reducing the deficit incurred.

Following the large price rise in the housing market, the revaluation of the investment property in Elbow Street has resulted in a significant increase to the fair value. This level of change is not expected to be repeated in future years.

Reserves policy: The Trustees' reserves policy is to retain sufficient reserves to ensure the charity can meet its operating expenditure as it falls due. The Trustees believe that the reserves are adequate to enable it to pursue its objectives detailed above.

Investment review : The Trustees monitor investments on an ongoing basis and continue to adopt a cautious attitude to investments and believe that the current policy of holding its cash reserves in building society accounts is appropriate, although with the very low interest rates available in the current financial climate, other investment opportunities are considered when they arise.

Voluntary help and gifts in kind

The Trustees are grateful to all who have helped the charity in so many ways during the past year and record their thanks to God for all His benefits to the present moment of time and look prayerfully to Him for leading and guidance in future days.

The trustees' annual report was approved on 1 December 2023 and signed on behalf of the board of trustees by:

B P Sheldon
Charity Secretary

The Cherith Trust

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of The Cherith Trust

Year ended 5 April 2023

I report to the trustees on my examination of the financial statements of The Cherith Trust ('the charity') for the year ended 5 April 2023.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

Mr T P Brueton FCA
Muras Baker Jones Limited
Independent Examiner

Regent House
Bath Avenue
Wolverhampton
West Midlands
WV1 4EG

1 December 2023

The Cherith Trust

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 5 April 2023

		2023		2022
		Unrestricted	Total funds	Total funds
	Note	funds	£	£
		£	£	£
Income and endowments				
Donations and legacies	5	8,638	8,638	6,365
Other trading activities	6	4,960	4,960	2,627
Investment income	7	17,853	17,853	15,234
Total income		<u>31,451</u>	<u>31,451</u>	<u>24,226</u>
Expenditure				
Expenditure on raising funds:				
Investment management costs	8	1,599	1,599	1,430
Expenditure on charitable activities	9	40,471	40,471	38,484
Total expenditure		<u>42,070</u>	<u>42,070</u>	<u>39,914</u>
Net gains on investments	10	49,126	49,126	—
Net income/(expenditure) and net movement in funds		<u>38,507</u>	<u>38,507</u>	<u>(15,688)</u>
Reconciliation of funds				
Total funds brought forward		446,688	446,688	462,376
Total funds carried forward		<u>485,195</u>	<u>485,195</u>	<u>446,688</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 8 to 15 form part of these financial statements.

The Cherith Trust

Company Limited by Guarantee

Statement of Financial Position

5 April 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	15	112,321	114,551
Investments	16	207,000	157,874
		<u>319,321</u>	<u>272,425</u>
Current assets			
Debtors	17	2,917	2,742
Cash at bank and in hand		164,923	173,628
		<u>167,840</u>	<u>176,370</u>
Creditors: amounts falling due within one year	18	1,966	2,107
Net current assets		<u>165,874</u>	<u>174,263</u>
Total assets less current liabilities		<u>485,195</u>	<u>446,688</u>
Net assets		<u>485,195</u>	<u>446,688</u>
Funds of the charity			
Unrestricted funds		485,195	446,688
Total charity funds	20	<u>485,195</u>	<u>446,688</u>

For the year ending 5 April 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on 1 December 2023, and are signed on behalf of the board by:

B P Sheldon
Trustee

The notes on pages 8 to 15 form part of these financial statements.

The Cherith Trust

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 5 April 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Cherith House, 1 Meadow Street, Cradley Heath, West Midlands, B64 6PB.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The accounts have been prepared on a going concern basis and there are no material uncertainties present about the charity's ability to continue in operational existence for the foreseeable future.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

The Cherith Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes VAT which cannot be recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

All fixed assets are initially recorded at cost.

The Cherith Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold Property	-	2%
Fixtures & Fittings	-	10% / 20% / 33.3% of cost

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in income or expenditure.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Limited by guarantee

The charity is a company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

The Cherith Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Donations				
Donations received	8,638	<u>8,638</u>	6,365	<u>6,365</u>

6. Other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Fundraising events	4,960	<u>4,960</u>	2,627	<u>2,627</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Rental Income	14,419	<u>14,419</u>	12,307	<u>12,307</u>
Interest Receivable	3,434	<u>3,434</u>	2,927	<u>2,927</u>
	<u>17,853</u>	<u>17,853</u>	<u>15,234</u>	<u>15,234</u>

8. Investment management costs

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Property letting agents fees	1,599	<u>1,599</u>	1,430	<u>1,430</u>

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Property Expenses	6,814	<u>6,814</u>	6,613	<u>6,613</u>
Provision of home support services	32,480	<u>32,480</u>	30,955	<u>30,955</u>
Support costs	1,177	<u>1,177</u>	916	<u>916</u>
	<u>40,471</u>	<u>40,471</u>	<u>38,484</u>	<u>38,484</u>

10. Net gains on investments

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Fair value movement on investment property	49,126	<u>49,126</u>	—	<u>—</u>

The Cherith Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

11. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation of tangible fixed assets	<u>2,230</u>	<u>2,339</u>

12. Independent examination fees

	2023	2022
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	1,238	1,000
Other financial services	<u>626</u>	<u>633</u>
	<u>1,864</u>	<u>1,633</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023	2022
	£	£
Wages and salaries	24,889	23,929
Employer contributions to pension plans	<u>1,412</u>	<u>1,191</u>
	<u>26,301</u>	<u>25,120</u>

The average head count of employees during the year was 2 (2022: 2). The average number of full-time equivalent employees during the year is analysed as follows:

	2023	2022
	No.	No.
Number of administrative staff	<u>2</u>	<u>2</u>

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

14. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

The Cherith Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

15. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Total £
Cost			
At 6 April 2022	122,500	23,771	146,271
Disposals	—	(6,659)	(6,659)
At 5 April 2023	122,500	17,112	139,612
Depreciation			
At 6 April 2022	9,800	21,920	31,720
Charge for the year	1,225	1,005	2,230
Disposals	—	(6,659)	(6,659)
At 5 April 2023	11,025	16,266	27,291
Carrying amount			
At 5 April 2023	111,475	846	112,321
At 5 April 2022	112,700	1,851	114,551

16. Investments

	Investment properties £
Cost or valuation	
At 6 April 2022	157,874
Additions	—
Fair value movements	49,126
At 5 April 2023	207,000
Impairment	
At 6 April 2022 and 5 April 2023	
Carrying amount	
At 5 April 2023	207,000
At 5 April 2022	157,874

All investments shown above are held at valuation.

Investment properties

In December 2020 the charity purchased a residential property to let out. The property has been revalued to £207,000 at 5 April 2023 following a review of the property market by the directors.

17. Debtors

	2023 £	2022 £
Prepayments and accrued income	2,917	2,742

The Cherith Trust

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 5 April 2023

18. Creditors: amounts falling due within one year

	2023	2022
	£	£
Accruals and deferred income	1,934	2,052
Social security and other taxes	32	55
	<u>1,966</u>	<u>2,107</u>

19. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £1,412 (2022: £1,191).

20. Analysis of charitable funds

Unrestricted funds

	At 6 April 2022	Income	Expenditure	Gains and losses	At 5 April 2023
	£	£	£	£	£
General funds	<u>446,688</u>	<u>31,451</u>	<u>(42,070)</u>	<u>49,126</u>	<u>485,195</u>

	At 6 April 2021	Income	Expenditure	Gains and losses	At 5 April 2022
	£	£	£	£	£
General funds	<u>462,376</u>	<u>24,226</u>	<u>(39,914)</u>	<u>—</u>	<u>446,688</u>

21. Analysis of net assets between funds

	Unrestricted Funds	Total Funds
	£	£
Tangible fixed assets	319,321	319,321
Current assets	167,840	167,840
Creditors less than 1 year	(1,966)	(1,966)
Net assets	<u>485,195</u>	<u>485,195</u>

	Unrestricted Funds	Total Funds
	£	£
Tangible fixed assets	272,425	272,425
Current assets	176,370	176,370
Creditors less than 1 year	(2,107)	(2,107)
Net assets	<u>446,688</u>	<u>446,688</u>

The Cherith Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

22. Related parties

During the year, one trustee was employed for the installation of the kitchen at The Cherith House. He was paid at the normal daily rate for his services, which was considered fair by the other trustees.

During the year, relatives of trustees were employed by The Cherith Trust. Their employments are on normal commercial terms and their salaries are commensurate with their duties, and are set by an independent group of trustees.

The Cherith Trust

Company Limited by Guarantee

Management Information

Year ended 5 April 2023

The following pages do not form part of the financial statements.

The Cherith Trust

Company Limited by Guarantee

Detailed Statement of Financial Activities

Year ended 5 April 2023

	2023 £	2022 £
Income and endowments		
Donations and legacies		
Donations received	<u>8,638</u>	<u>6,365</u>
Other trading activities		
Fundraising events	<u>4,960</u>	<u>2,627</u>
Investment income		
Rental Income	14,419	12,307
Interest Receivable	<u>3,434</u>	<u>2,927</u>
	<u>17,853</u>	<u>15,234</u>
Total income	<u>31,451</u>	<u>24,226</u>
Expenditure		
Investment management costs		
Property letting agents fees	<u>1,599</u>	<u>1,430</u>
Expenditure on charitable activities		
Wages and salaries	24,889	23,929
Pension costs	1,412	1,191
Rates and water	263	266
Light and heat	802	653
Repairs and maintenance	2,816	2,772
Other establishment	287	583
Other motor/travel costs	503	522
Legal and professional fees	1,864	1,633
Other office costs	4,228	3,680
Depreciation	2,230	2,339
Insurance	<u>1,177</u>	<u>916</u>
	<u>40,471</u>	<u>38,484</u>
Total expenditure	<u>42,070</u>	<u>39,914</u>
Net gains on investments		
Fair value movement on investment property	<u>49,126</u>	<u>—</u>
Net income/(expenditure)	<u>38,507</u>	<u>(15,688)</u>