

Charity registration number 1153327

Company registration number 08635189 (England and Wales)

CHILDS CHARITABLE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



Caladine

Chartered Certified Accountants

CHILDS CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Christopher Large (Chair) Mr Stephen Puttock Mrs Melanie Churchyard Mr Robert Peake (Appointed 16 January 2021) Ms Janice Kalyan (Appointed 14 January 2022)
CEO	Mrs Melanie Churchyard
Charity number	1153327
Company number	08635189
Principal address	40 Chapel Road Pawlett Bridgwater Somerset TA6 4SH
Registered office	40 Chapel Road Pawlett Bridgwater Somerset TA6 4SH
Auditor	Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF
Bankers	NatWest Bank plc 96 Terminus Road Eastbourne BN21 3AA
Solicitors	Lawson Lewis Blakers 11 Hyde Gardens Eastbourne East Sussex BN21 4PP
Investment Manager	Rathbone Investment Management 8 Finsbury Circus London EC2M 7AZ Savills Investment Management 33 Margaret Street London W1G 0JD
Property agents	Ross & Co. Property Management Ltd Pacific House Sovereign Harbour Innovation Park Eastbourne, BN23 6FA

CHILDS CHARITABLE TRUST

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CHILDS CHARITABLE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their report and financial statements for Childs Charitable Trust ("the Trust") for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Trust's memorandum and articles of association, the Companies Act 2006 and "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)".

Objectives and activities

The Trust is a Christian grant-making Trust. Since its inception in 1962 the principal object remains the furtherance of the Christian gospel and the Trustees are actively involved in supporting and encouraging many Christian charities to achieve this goal.

There have been considerable ongoing economic consequences both within the UK and overseas as a result of the Coronavirus pandemic and the war in the Ukraine. Whilst we are unable to predict the impact on the charity's future, we are continually monitoring the situation and taking appropriate advice to ensure the grant-making work of the charity continues.

Public Benefit:

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

The Trust has established its grant making policy to achieve its objects for the public benefit.

All applicants are informed of the outcome at the end of the process whether their application has been successful or not.

Achievements and performance

Grants Awarded:

As required by the Trust's Memorandum and Articles of Association, all activities have as their core purpose the Trust's own main objective "the furtherance of the Christian Gospel."

All applications are sent on the Trust's application form. This is available for completion online or to download from the Trust's website.

All applications for support are fully considered but, unfortunately, not all can be supported.

The total charitable distributions in the year amounted to £652,500 (£513,030 in 2020)

The Trust received 287 applications and awarded grants to 63 different organisations.

These organisations are all based in the UK but operate worldwide.

Monitoring:

In accordance with their monitoring policy, the Trustees monitor the activities and performance of the Trust's beneficiaries to ensure the gifts are used for their charitable purpose. Impact reports are provided to the Trustees for subsequent review and discussion. These reports enable the Trustees to understand more fully the activities and needs of the recipient charities. The charities themselves express their appreciation for such monitoring as it helps them understand the ethos of the Trust and often enables a closer partnership to develop.

Missions Day:

Every year the Trustees arrange a "Missions Day" to which various Christian charities are invited to join the Trustees, staff and other invited guests, for the day. It was not possible to hold the event in 2020 or 2021 due to Coronavirus restrictions. It is hoped to re-instate this event in 2022.

CHILDS CHARITABLE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

Income:

The income of the Trust is mainly received from two asset portfolios, commercial properties and investments.

The Trustees take advice on their properties from an Eastbourne based commercial property agent.

The investment portfolio continues to be managed by Rathbone Investment Management.

Asset cover for funds:

The Trust's assets are adequate and available to fulfil its obligations.

Reserves policy:

As all reserves are unrestricted and "free" reserves, it is the policy of the Trust that unrestricted funds should be designated to match the market value of fixed asset investments. This ensures that these funds are considered "permanent" in nature as they are necessary to generate income for the Trust to enable it to carry out its activities and continue in the future. At 31 December 2021, such "permanent" reserves total £9,808,170 equal to the Trust's fixed asset investments.

Investment policy:

The investment portfolio managed by Rathbone Investment Management, seeks to achieve a balance between capital growth and income generation through a portfolio investing primarily in equities and fixed interest stocks with medium risk, and to ensure a reasonable income. The Trustees have set certain ethical restrictions on its investments with those being avoided that relate directly to armaments, tobacco, alcohol and media concerns that conflict with the Trust's Christian ethos. The Trustees are satisfied with the current return on capital.

The Trustees meet with the Investment Manager once per year to discuss the requirements for the forthcoming year and to review past performance.

Loans:

The charity also holds one investment in the form of a loan to a charity with similar objects. The loan receives interest at a market rate and has a period of 15 years remaining on the term. The loan is secured on the assets of the charity. The loan is provided to further the charitable objects of the charity and specifically in furtherance of the Christian Gospel. The Trustees annually review the activities and finances of the charity loaned to, to ensure that these aims are being met.

Plans for future periods

It is the intention of the Trustees for the Trust to continue its activities in the long term, using its annual income and maintaining its capital base.

Strategy Day:

Each year the Trustees hold a Strategy Day to discuss the requirements of the Trust over the next 5/10/15 years and the procedures that might be needed to be put in place to achieve the Trust's vision.

The Trust's Vision and Mission statements are:

Vision – To see a world where every person has the potential to hear and respond to the gospel message.

Mission – To strategically fund Christian organisations which promote the Christian gospel.

The Trustees also discuss the requirements of the Trustee board and their strategy for Trustee recruitment.

A funding strategy is discussed and agreed for the forthcoming year. Details of the agreed strategy is published on the Trust's website.

At the 2021 Strategy Day the Trustees decided that they should continue throughout 2022 to keep aligned with their vision and mission statements. Ensuring organisations applying for funding in 2022 focus primarily on the sharing of the Christian gospel.

CHILDS CHARITABLE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees also discussed their property portfolio

At the 2020 Strategy meeting the Trustees agreed to a relocation of the Trust office to Somerset to accommodate Melanie moving. This move took place in June 2021 and the Trust now operates out of an office based at Melanie's home in Pawlett, Somerset.

Structure, governance and management

Structure:

The Trust's Memorandum and Articles of Association state: The Charity's Objects are for the public benefit to advance the Christian faith in accordance with the Statement of Beliefs ... in Eastbourne, East Sussex and in such other parts of the United Kingdom or the world as the Trustees may from time to time think fit and to fulfil such other purposes which are exclusively charitable according to the law of England and Wales and are connected with the charitable work of the Charity.

Governance:

Whilst the day to day matters and general running of the Trust are delegated to the Trust's employee, this is done in reference to the Trustees who ultimately take responsibility for all decisions.

The Trustees met every three months to review financial and investment matters, consider grant applications and deal with other issues as necessary. Communications by email and telephone in between formal Trustees' meetings enable any urgent matters to be dealt with.

The CEO and Chair of Trustees meet in between meetings to prepare the agenda for meetings and discuss any other relevant matters.

Mr Robin Peake was appointed as a Trustee and this was formalised at the January 2021 Trustees' meeting.

Miss Janice Kalyan was appointed as a Trustee on 14th January 2022.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Christopher Large (Chair)

Mr Stephen Puttock

Mrs Melanie Churchyard

Mr Robert Peake

(Appointed 16 January 2021)

Ms Janice Kalyan

(Appointed 14 January 2022)

All Trustees must be active members of their local church, subscribe to the Trust's Statement of Beliefs and share the Christian ethos and aims of the Trust. It is imperative that all Trustees have general charity experience and are able to devote their time and energies to the affairs of the Trust. None of the Trustees are remunerated for their services but are reimbursed for out-of-pocket expenses incurred in the performance of their duties as Trustees.

Management:

Mrs Melanie Churchyard, CEO, deals with all the day to day affairs of the Trust. Melanie was employed throughout the year. The Trust has use of an office in Pawlett, Somerset. Melanie keeps all Trustees fully informed of the matters of the Trust.

The remuneration of staff is discussed and decided by the Trustees (excluding Melanie) and is based on relevant skills and responsibilities and in line with the rates prevailing in the charitable sector.

Throughout 2021 the Trust was a member of the Civil Society.

CHILDS CHARITABLE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Risks:

The Trustees regularly review and assess the major risks to which the charity is exposed. Advice and guidance is sought from our auditors and other professionals. The main financial risk to the charity is the level of return on investments since this affects the grants it can pay out.

The Trustees are aware that there are likely to continue to be significant challenges due to the Coronavirus pandemic and the current war in the Ukraine. The Trustees are continually monitoring the situation and keep in regular communication with their advisors and investment manager.

It is impossible to eliminate all risks, but the Trustees are satisfied that the systems they have in place mitigate exposure to the major risks as far as they are able.

All policies are reviewed in accordance with the agreed review schedule.

The Trustees are kept informed by the auditors and solicitors of the Trust of their obligations as charity Trustees together with their legal and statutory duties. Whenever possible, Trustees and staff attend relevant training and seminars to help understand further their responsibilities and duties.

Feedback from the grant recipients is essential and it is such reports and testimonies, that help the Trustees evaluate the impact of the support the Trust has provided and to plan for the future. However, as the Trust's main objective and many of the results reported are of a spiritual nature, tangible evidence is often lacking. The Trustees recognise that it can be difficult to quantify final results and impact; however, they seek to encourage the grant recipients to be as detailed as possible in their reporting.

Disclosure of information to auditor

This report has been prepared in accordance with the small company regime as outlined in Section 419(2) of the Companies Act 2006. Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

The Trustees' report was approved by the Board of Trustees.


.....
Mr Christopher Large (Chair)

Trustee

Dated:

8/9/22

CHILDS CHARITABLE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees, who are also the Directors of Childs Charitable Trust for the purpose 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 which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHILDS CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF CHILDS CHARITABLE TRUST

Opinion

We have audited the financial statements of Childs Charitable Trust (the 'Trust') for the year ended 31 December 2021 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 Trust 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 Trust's ability to continue as a going concern for a period 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

CHILDS CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CHILDS CHARITABLE TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

In the light of the knowledge and understanding of the 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 trustees' 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 statement of Trustees' responsibilities, the Trustees, who are also the directors of the Trust for the purpose 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 Trust'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 charitable 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities Act 2011 and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

CHILDS CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CHILDS CHARITABLE TRUST

We assessed the susceptibility of the trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Colin James Dadswell ACCA (Senior Statutory Auditor)
for and on behalf of Caladine Limited

16/09/2022

Chartered Certified Accountants
Statutory Auditor

Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

CHILDS CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

Current financial year

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Total 2021 £	Total 2020 £
	Notes				
Income from:					
Donations and legacies	3	6,000	-	6,000	500
Investment property	4	173,510	-	173,510	146,517
Investments	5	195,280	-	195,280	169,401
Other income	6	4,117	-	4,117	41,935
Total income		378,907	-	378,907	358,353
Expenditure on:					
Raising funds	7	49,268	-	49,268	59,118
Charitable activities	8	724,690	-	724,690	619,509
Total expenditure		773,958	-	773,958	678,627
Net gains/(losses) on investments	13	-	813,073	813,073	65,051
Net outgoing resources before transfers		(395,051)	813,073	418,022	(255,223)
Gross transfers between funds		(200,318)	200,318	-	-
Net movement in funds		(595,369)	1,013,391	418,022	(255,223)
Fund balances at 1 January 2021		1,259,755	8,794,779	10,054,534	10,309,757
Fund balances at 31 December 2021		664,386	9,808,170	10,472,556	10,054,534

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CHILDS CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

Prior financial year

		Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Total 2020 £
	Notes			
<u>Income from:</u>				
Donations and legacies	3	500	-	500
Investment property	4	146,517	-	146,517
Investments	5	169,401	-	169,401
Other income	6	3,883	38,052	41,935
Total income		320,301	38,052	358,353
<u>Expenditure on:</u>				
Raising funds	7	59,118	-	59,118
Charitable activities	8	619,509	-	619,509
Total expenditure		678,627	-	678,627
Net gains/(losses) on investments	13	-	65,051	65,051
Net outgoing resources before transfers		(358,326)	103,103	(255,223)
Gross transfers between funds		1,254,196	(1,254,196)	-
Net movement in funds		895,870	(1,151,093)	(255,223)
Fund balances at 1 January 2020		363,885	9,945,872	10,309,757
Fund balances at 31 December 2020		1,259,755	8,794,779	10,054,534

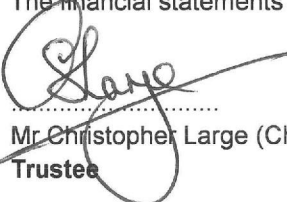
CHILDS CHARITABLE TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investment properties	15	2,483,500		2,408,500	
Investments	16	7,211,735		6,268,599	
Mixed motive investments	17	112,935		117,680	
		<u>9,808,170</u>		<u>8,794,779</u>	
Current assets					
Trade and other receivables	18	3,840		32,674	
Cash at bank and in hand		777,817		1,266,268	
		<u>781,657</u>		<u>1,298,942</u>	
Current liabilities	20	(72,271)		(39,187)	
Net current assets			709,386		1,259,755
Total assets less current liabilities			10,517,556		10,054,534
Non-current liabilities	21	(45,000)			-
Net assets			<u>10,472,556</u>		<u>10,054,534</u>
Income funds					
Unrestricted funds - designated	23	9,808,170		8,794,779	
Unrestricted funds - general		664,386		1,259,755	
		<u>10,472,556</u>		<u>10,054,534</u>	

The financial statements were approved by the Trustees on 8/9/22


Mr Christopher Large (Chair)
Trustee

Company registration number 08635189

CHILDS CHARITABLE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	27		(478,668)		(536,688)
Investing activities					
Proceeds on disposal of property, plant and equipment		-		217,756	
Proceeds on disposal of investment property		-		1,883,991	
Purchase of other investments		(483,972)		(1,377,472)	
Proceeds on disposal of other investments		278,909		525,405	
Investment income received		195,280		169,401	
Net cash (used in)/generated from investing activities			(9,783)		1,419,081
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(488,451)		882,393
Cash and cash equivalents at beginning of year			1,266,268		383,875
Cash and cash equivalents at end of year			777,817		1,266,268

CHILDS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Childs Charitable Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 40 Chapel Road, Pawlett, Bridgwater, Somerset, TA6 4SH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Trust's Memorandum and Articles of Association, the Companies Act 2006 and "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)". The Trust is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the Trust 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. The Charity's income consists of voluntary income and that from investments, including property.

Cash donations are recognised on receipt. Other donations are recognised once the Trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Rental income from investment properties is deferred where it has been received in advance and is relevant to a subsequent period.

Investment income in income from listed investments and loan interest receivable and is recognised in the accounts when receivable.

CHILDS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

1.5 Expenditure

Liabilities are recognised as soon as a legal or constructive obligation arises committing the Trust to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Costs of activities in furtherance of the Trust's objects are grants made by the Trust to support Christian charitable projects, and the support costs relating to this activity.

Costs of raising funds comprise those costs relating to the management and maintenance of the investment properties, as well as the investment manager's fees for managing the investments and securities.

Support costs comprise administration costs in relation to grant making, together with governance costs. Governance costs include the costs of auditing the statutory accounts, the cost of Trustees' meetings and the cost of any legal advice to Trustees' on governance or constitutional matters. The support costs have been allocated wholly to the grant making activities, with the exception of the support wages. These wages have been allocated 10% to the costs of raising funds and 90% to the grant making activities, on a time basis.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Fixtures, fittings and equipment	3 years straight line (All assets fully depreciated)
----------------------------------	--

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Tangible fixed assets are capitalised if they can be used for more than one year and cost at least £500.

Neither land nor the investment properties are depreciated.

1.7 Investment properties

Investment properties are those held to earn rentals and/or for capital appreciation. The investment properties are measured using the fair value model and stated at its fair value (open market value) at the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

1.8 Non-current investments

Listed investments are measured using the fair value model and stated at its fair value (open market value) at the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

The Trust also has mixed motive investments in the form of loans to charities with similar objects and these have been dealt with as financial instruments and in accordance with the treatment suggested in the FRS102 SORP (see financial instruments below). The loans receive interest at a market rate (between 5 and 5.5%), are for periods of up to 25 years and are secured on the assets of the charities. They are provided to further the charitable objects of the charity and specifically in furtherance of the Christian Gospel. The Trustees regularly review the activities of the charities loaned to, to ensure that these aims are being met.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

CHILDS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

1.10 Financial instruments

The Trust has mixed motive investments in the form of loans to charities with similar objects. As these are financial instruments, the Trust has applied the treatment suggested in the FRS102 SORP and has initially recognised and measured the loans at the amount paid. The carrying amount will then be adjusted in subsequent years to reflect repayments and any accrued interest as well as adjusting if necessary for any impairment.

Other than these mixed motive investments, the Trust 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. Basic financial assets include trade and other receivables and cash and bank balances. Basic financial liabilities include trade and other payables where trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of operations from suppliers.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Grant Making Policy

The Trust supports by the provision of financial grants some of those Christian organisations whose own activities mirror further the Trust's own aims and objectives. Numerous and varied applications are received by the Trust every month. In addition the Trustees are also aware of other Christian organisations and encourage them to submit applications to the Trust. All applications are prayerfully considered by the Trustees but, due to the Trust's own limited means, not all applications can be supported.

Grants for which there is a legal obligation, or a valid expectation of receipt by the beneficiary at the year end, and for which conditions attaching to their payment have been fulfilled, are accounted for in the year.

2 Critical accounting estimates and judgements

In the application of the Trust's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CHILDS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Donations and legacies

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Donations and gifts	6,000	500

4 Investment property

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Rental income	173,510	146,517

5 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Income from listed investments	187,662	129,245
Interest receivable	7,618	40,156
	195,280	169,401

CHILDS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Other income

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Total 2020 £
Net gain on disposal of tangible fixed assets	-	-	38,052	38,052
Employment allowance received	4,117	3,883	-	3,883
	<u>4,117</u>	<u>3,883</u>	<u>38,052</u>	<u>41,935</u>

7 Raising funds

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
<u>Investment property expenses</u>		
Property overheads and management	7,861	23,076
Share of Support costs (see note 10)	5,819	5,380
	<u>13,680</u>	<u>28,456</u>
<u>Investment property expenses</u>		
Investment management fees	35,588	30,662
	<u>49,268</u>	<u>59,118</u>
 <u>Property overheads and management</u>		
Rates	2,290	11,278
Light and heat	592	376
Repairs and maintenance	4,358	2,674
Legal and professional	8,543	14,943
Insurance	6,521	5,026
Sundries	773	140
	<u>7,861</u>	<u>23,076</u>

CHILDS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Charitable activities

	2021 £	2020 £
Grant funding of activities (see note 9)	652,500	513,030
Share of support costs (see note 10)	55,638	62,112
Share of governance costs (see note 10)	16,552	44,367
	<u>724,690</u>	<u>619,509</u>

9 Grants payable

	2021 £	2020 £
Grants to institutions:		
Off The Fence	165,000	82,000
Bible Reading Fellowship	45,000	
Essential Christian	40,000	-
Emmanuel Press	35,000	
MAF UK	20,000	-
Befriending	15,000	-
Innovista	15,000	-
International Needs	15,000	-
Lifeworks	15,000	-
Wycliffe Bible Translators	15,000	-
SASRA	10,000	15,000
Misc. gifts between £10,000 and £14,999	90,000	132,500
Misc. gifts between £5,000 and £9,999	121,500	182,030
Misc. gifts between £3,000 £4,999	34,000	43,500
Grants not exceeding £2,999	17,000	58,000
	<u>652,500</u>	<u>513,030</u>

Grants to institutions represent payments made in the year to 63 organisations (2020: 85 organisations).

CHILDS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Support costs

	Support costs £	Governance costs £	Total Support costs 2021 £	Governance costs £	Total 2020 £
Staff costs	52,375	5,819	58,194	48,423	53,804
Computer expenses	1,065	-	1,065	1,201	1,201
Rent and rates	3,906	-	3,906	13,213	13,213
Repairs and renewals	767	-	767	818	818
Telephone	1,058	-	1,058	704	704
Printing and postage	932	-	932	896	896
Travel costs	127	-	127	229	229
Sundries	1,227	-	1,227	2,008	2,008
Audit fees	-	5,580	5,580	-	5,682
Accountancy	-	2,100	2,100	-	6,106
Legal and professional	-	1,392	1,392	-	25,998
Trustee meeting costs	-	1,661	1,661	-	1,200
	61,457	16,552	78,009	67,492	111,859
<u>Analysed between</u>					
Raising funds	5,819	-	5,819	5,380	5,380
Charitable activities	55,638	16,552	72,190	62,112	106,479
	61,457	16,552	78,009	67,492	111,859

Governance costs includes payments to the auditors of £5,580 (2020: £5,682) for audit fees and £2,100 (2020: £2,098) for accounts.

11 Trustees

Trustee Melanie Churchyard received a salary of £50,010 (2020: £46,305) and employer pension contributions of £2,501 (2020: £2,315) during the year, the authority for the employment of Trustees is contained within the Memorandum and Articles of Association.

None of the other Trustees (or any persons connected with them) received any remuneration or benefits from the Trust during the year. Trustees had total expenditure of £1,661 (2020: £1,200) met by the charity for meeting, travel and other expenditure.

CHILDS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Administration	1	1
Employment costs	2021 £	2020 £
Wages and salaries	50,010	46,305
Social security costs	5,683	5,184
Other pension costs	2,501	2,315
	58,194	53,804

There were no employees whose annual remuneration was £60,000 or more.

13 Net gains/(losses) on investments

	Unrestricted funds designated 2021 £	Unrestricted funds designated 2020 £
Revaluation of investments	721,023	30,749
Gain/(loss) on sale of investments	17,050	(58,439)
Revaluation of investment properties	75,000	25,000
Gain/(loss) on sale of investment properties	-	67,741
	813,073	65,051

CHILDS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Property, plant and equipment

Fixtures, fittings and equipment £

Cost

At 1 January 2021

4,361

At 31 December 2021

4,361

Depreciation and impairment

At 1 January 2021

4,361

At 31 December 2021

4,361

Carrying amount

At 31 December 2021

-

At 31 December 2020

-

15 Investment property

2021 £

Fair value

At 1 January 2021

2,408,500

Net gains or losses through fair value adjustments

75,000

At 31 December 2021

2,483,500

The remaining freehold properties in East Sussex were valued on an open market basis in January 2021 by Mr Anton G K Bree FRICS of Ross & Co Chartered Surveyors, Eastbourne.

In addition to the freehold properties held in East Sussex which were valued in January 2021, the year end valuation above includes 3 parcels of bare land and a block of garages linked to one of the freehold interests with a total disclosed value £103,500. These were transferred to the Charity when it was incorporated in 2015 with the acting solicitor placing nominal valuations on them. The Trustees believe there has been no material change to these valuations as at the balance sheet date.

The historical cost of the properties as at 31 December 2021 were £1,677,000 (2020: £1,677,000).

CHILDS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2021	6,268,599
Additions	483,972
Valuation changes	721,023
Disposals	(261,859)
	<hr/>
At 31 December 2021	7,211,735
	<hr/>
Carrying amount	
At 31 December 2021	7,211,735
	<hr/> <hr/>

17 Mixed motive investments

	£
At 1 January 2021	117,681
Interest	5,777
Repayments	(10,523)
	<hr/>
At 31 December 2021	112,935
	<hr/> <hr/>

Mixed motive investments represent loans made to other charities with similar objects to the charitable company. As these are financial instruments, the charity has applied the treatment suggested in the FRS102 SORP and has initially recognised and measured the loans at the amount paid. The carrying amount will then be adjusted in subsequent years to reflect repayments and any accrued interest as well as adjusting them for any impairment.

In order to secure the loans, the charity has a charge over property owned by the loan holders.

18 Trade and other receivables

	2021 £	2020 £
Amounts falling due within one year:		
Trade receivables	119	29,216
Prepayments and accrued income	3,721	3,458
	<hr/>	<hr/>
	3,840	32,674
	<hr/> <hr/>	<hr/> <hr/>

CHILDS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Contingent asset

Childs Charitable Trust has a registered charge of £70,000 over a parcel of land located to the west side of Southdown Road, Seaford, East Sussex. The land is registered in the name of Simmons Contractors Limited (Reg. No. 1695245), a company which went into liquidation in 1989 and has been removed from the Companies House Register.

Recoverability of this debt is uncertain. The charity has taken legal advice and Counsel's opinion on this matter to establish the legal position. It is understood that in the future, ownership of the land plus the property located on the land will revert to the crown but that the land original loan sum of £70,000 which is secured by the charge over the land will be repayable to the charity.

Due to the circumstances surrounding this loan which is subject to uncertain future events, the Charity's interest in this land has not been recognised in these accounts.

20 Current liabilities

	2021 £	2020 £
Other taxation and social security	333	309
Payments received on account	-	22,125
Other payables	55,000	-
Accruals and deferred income	16,938	16,753
	<u>72,271</u>	<u>39,187</u>

21 Non-current liabilities

	2021 £	2020 £
Other payables	<u>45,000</u>	<u>-</u>

22 Retirement benefit schemes

Defined contribution schemes

The Trust operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Trust in an independently administered fund.

The charge to the SOFA in respect of defined contribution schemes was £2,501 (2020 - £2,315).

CHILDS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23 Unrestricted funds - designated

These are unrestricted funds which are material to the Trust's activities made up as follows:

	Balance at 1 January 2020	Transfers	Revaluations, gains and losses	Balance at 1 January 2021	Transfers	Revaluations, gains and losses	Balance at 31 December 2021
	£	£	£	£	£	£	£
Fixed Asset Investment Fund	9,945,872	(1,254,196)	103,103	8,794,779	200,318	813,073	9,808,170

The fixed asset investment fund represented invested funds of a permanent nature to generate income for the charity to enable it to carry out its activities, and the fixed assets held to run the charity's operations.

24 Analysis of net assets between funds

	Unrestricted funds 2021 £	Designated funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Designated funds 2020 £	Total 2020 £
Fund balances are represented by:						
Investment properties	-	2,483,500	2,483,500	-	2,408,500	2,408,500
Investments	-	7,211,735	7,211,735	-	6,268,599	6,268,599
Mixed motive investments	-	112,935	112,935	-	117,680	117,680
Current assets/(liabilities)	709,386	-	709,386	1,259,755	-	1,259,755
Long term liabilities	(45,000)	-	(45,000)	-	-	-
	664,386	9,808,170	10,472,556	1,259,755	8,794,779	10,054,534

CHILDS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

25 Operating lease commitments

Lessee

At the reporting end date the Trust had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	480	2,884
Between two and five years	480	960
	<u>960</u>	<u>3,844</u>

Lessor

The operating leases represent leases to third parties in investment properties. The leases are negotiated on average over terms of 10 years and rentals are fixed on average for 5 years. All leases include a provision for five-yearly upward rent reviews, if not earlier, according to prevailing market conditions. There are options in place for either party to extend the lease terms.

At the reporting end date the Trust had contracted with tenants for the following minimum lease payments:

	2021 £	2020 £
Within one year	148,500	148,500
Between two and five years	262,000	410,500
	<u>410,500</u>	<u>559,000</u>

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>54,076</u>	<u>49,920</u>

Reverend Sowersby is the father of the CEO and Trustee, Mrs Melanie Churchyard, who runs the day to day administration of the Trust. He rents a property from the Trust and rent received from him during the year was £600 (2020: £600).

Trustee Robert Peake is employed by the registered charity Wycliffe UK (a.k.a Wycliffe Bible Translators). During the year, Wycliffe UK received a grant of £15,000 (2020: nil) from Childs Charitable Trust.

CHILDS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

27 Cash generated from operations	2021	2020
	£	£
Surplus/(deficit) for the year	418,022	(255,223)
Adjustments for:		
Investment income recognised in statement of financial activities	(195,280)	(169,401)
Gain on disposal of property, plant and equipment	-	(38,052)
Gain on disposal of investment property	-	(67,741)
(Gain)/loss on disposal of investments	(17,050)	58,439
Fair value gains and losses on investment properties	(75,000)	(25,000)
Fair value gains and losses on investments	(721,023)	(30,749)
Movements in working capital:		
Decrease/(increase) in mixed motive investments	4,746	4,516
Decrease/(increase) in trade and other receivables	28,833	(27,655)
Increase in trade and other payables	78,084	14,178
Cash absorbed by operations	(478,668)	(536,688)
28 Analysis of changes in net funds		
The Trust had no debt during the year.		

