

Benenden Village Trust



BENENDEN VILLAGE TRUST

Report and Financial Statements

Year ended: 31st March 2024

Charity No: 1176351

BENENDEN VILLAGE TRUST

Report of the Trustees for the year ended 31st March 2024

The Trustees present their annual report and financial statements of the Charity for the year ended 31st March 2024. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's Constitution.

Objectives and activities for the public benefit

The purposes of the Trust are :

1. To further or benefit the residents of the parish of Benenden in the county of Kent and the neighbourhood, without distinction of sex, sexual orientation, race or of political, religious or other opinions by associating together the said residents and the local authorities, voluntary and other organisations in a common effort to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for the residents. In furtherance of these objects but not otherwise, the Trustees shall have power to establish or secure the establishment of community centres and to maintain or manage or co-operate with any statutory authority in the maintenance and management of such centres for activities promoted by the charity in furtherance of the above objects.
2. To promote for the benefit of the inhabitants of Benenden in the county of Kent and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Benenden Village Trust – Organisation and Governance

The Benenden Village Trust was registered with the Charity Commission on 18th December 2017 as a Charitable Incorporated Organisation and with the Registered No. 1176351.

Office : Benenden Village Hall, The Street, Benenden, TN17 4DE

Independent Examiner of Accounts : Manningtons Chartered Accountants, 39 High Street, Battle, East Sussex TN33 0EE

Bankers : Barclays Bank plc , Longer House, High Street, Rye TN31 7JL

Manager of the Trust : Caroline Levett

The Trustees during the year were : Kent Barker; Simon Brown; Athena Cripps; Tom Dawlings; Martin Dickson; Julie Lewis; Sally Ann Marks; Chris Parkinson; Richard Stubbings; Paul Tolhurst.

Review of activities during the past year

The 2023-24 year has been an extremely busy one for Benenden Village Trust (BVT). Five issues have dominated the work of trustees: a review of BVT's charitable purpose and the permitted use of its financial reserves; A review of strategy to best fulfil its charitable purpose; major improvements to the running of Benenden Village Hall; major spending on the maintenance of its properties; and analysis and action to improve its financial performance.

Charitable Purpose

The Trust undertook an in-depth, year-long review, led by trustee Simon Brown, into the historical background to BVT's legally defined charitable purpose and into its financial reserves. The inquiry covered events as far back as the 1920s when a predecessor charity to BVT was founded to oversee generous gifts to Benenden village for recreational purposes from the first Viscount Rothermere. BVT replaced the Harmsworth Memorial Trust (HMT) as the charitable body responsible for the Rothermere assets in 2018.

This historical exercise was deemed necessary because, with the passage of time and changes in the charity responsible for the Rothermere gifts, it had become unclear to trustees precisely how far BVT's charitable purpose extended and the degree to which its financial reserves were "permanent endowment," involving major restrictions on the deployment of these funds.

The review involved extensive discussions with the Charity Commission and these remained ongoing at year-end, though seemingly near completion.

By year-end the investigation had reached three important conclusions, based on discussions with the Charity Commission and legal advice given to HMT in previous decades.

1) The Trust's charitable purpose is purely to provide recreational facilities open to all the residents of the parish of Benenden. In particular, "open to all" excludes private fee-paying sports or recreation clubs or other private fee-paying institutions, whether they be charitable or not. To the extent BVT's assets provide a home for such institutions, BVT is legally obliged by its charitable purpose to charge them a full commercial market rent. Trustees have no discretion in this matter.

2) The Trust's charitable purpose excludes the support of education.

3) The Trust's financial reserves belong in three baskets, with most of the assets comprising permanent endowment. This means that these assets must stay permanently in the trust, to ensure it has funds to support its purpose for future generations. However, the income produced by the assets can be used to fund day-to-day operations, maintenance or capital investment in BVT's buildings.

The permanent endowment comprises two separate funds: a straightforward fund, with no further complications, and a "Recoupment Fund." The latter was established in the 1970s to build up funds to repay HMT the cost of building Benenden Village Hall, completed in 1977. A sum of £317 per annum was paid into a fund which had grown into a very substantial figure by the time these payments ceased in 2015. At year-end, BVT was still in discussion with the Charity Commission around any remaining obligations to pay additional money into this fund and whether it could be merged with the other permanent endowment fund.

The third element of the financial reserves, and the smallest, comprises assets deemed to have been built up over the years from retained income. These can be spent without encumbrance if trustees judge this expenditure will make an important contribution to fulfilling the trust's purpose.

Trustees would like to pay particular thanks to Simon Brown for the many hours he spent during the year in the archives, finding and examining relevant trust documents dating back many decades, and following this up with very extensive and complex communications with the Charity Commission. His inquiry means trustees have an infinitely clearer idea of the legal, charitable and financial parameters within which they are working for the good of the organisation.

This in turn has allowed trustees to refine their thinking about the future of BVT as they have engaged in this year's important strategy review, which is covered in the next section.

Strategy Review

Faced with a worrying financial situation - described more fully in the financial section below - trustees decided during the year that they should conduct an in-depth review of BVT's strategy. The aim was to reach a consensus on the best way forward to fulfil the trust's charitable purpose, both now and in future generations, within a constrained financial framework.

The review, under the expert facilitation of trustee Paul Tolhurst, began with a lengthy brain-storming session in October 2023. A follow-up one was held on April 8, 2024, shortly after the end of the financial year. A further meeting is envisaged during the 2024-25 year to decide on the way forward.

The first two sessions produced a consensus that the Trust was asset rich, but cash poor, in that income from its permanent endowment was now insufficient to cover running and maintenance costs. The finances needed to be brought back into balance, either by increasing revenues, cutting expenditure, reviewing assets, or a combination of all three. Trustees also agreed that BVT's highest priority assets - in terms of fulfilling its purpose - were Benenden Village Hall, the Iden Green Pavilion, and the recreation grounds and playgrounds at both locations.

Benenden Village Hall

The year saw huge improvements in the running of the village hall, thanks in large measure to the efficiency and creativity of John Betts, who was appointed as Hall Manager early in 2023. He has provided a much more visible presence at the hall by being in situ at regular times on weekday mornings, engaging helpfully with existing hirers and prospective ones.

He has made the hall website far more useful to clients and visitors alike, with developments to the booking calendar, background information on the functioning of the hall, photographs and separate contact forms for different type of inquiry and for feedback.

Improvements to the hall carried out during the year, or shortly afterwards, included developments to the facial recognition system that permits regular hirers access to the building, the purchase of a new and much improved projector, new blackout blinds for the small hall and a new IT system making it much easier to manage bookings and monitor performance.

The hall's income rose from £34,574 in 2022-23 to £36,083 in 2023-24. Expenditure fell slightly from £54,933 in 2022-23 to £51,815. Hire fees were reviewed during the year, with small increases announced for 2024-25 alongside a more coherent system of price bands for different categories of hirer.

The hall faces a large capital spend in 2024-25 on a new heating system to replace the current one, which is nearing the end of its useful life. Trustee Richard Stubbings led the inquiry into the most suitable and cost-effective replacement, which was nearing completion at year end.

St George's Hall

BVT faced very large costs in 2023-24 in maintaining the fabric of the elderly and listed St George's Hall, with trustee Chris Parkinson taking a leading role in engaging with contractors.

There were two main problems. First, extensive leaks to the roof, affecting mainly the Benenden Pre-School. These were repaired at a cost of £13,136.40, with work scheduled so as to minimise disruption to the pre-school. The second issue was the state of two windows in the pre-school which no longer functioned properly, and may have been original to the building, dating from 1881. Given the listed nature of the building, the cost of replacement was substantial: £6,120.

Trustees are concerned that the age of the building means St George's Hall will require substantial repairs for years to come at a heavy cost.

Financial Review

During the year the Trust had to draw down £50,000 from its financial reserves invested in the COIF Charities Investment Fund to offset an imbalance between its income and expenditure. This followed a £40,000 drawdown in 2022-23 and a further £20,000 in the 2021-22 financial year - making a total of £110,000 over the past three years. This degree of drain on reserves cannot continue if BVT is to have a long-term future providing recreational facilities for Benenden's parishioners. The strategy review mentioned earlier in this report is designed to address this cash crunch.

On paper, BVT may appear at first glance to be financially healthy: at year-end its investments in COIF were valued at £851,000, a sizable sum. But as explained in the Charitable Purpose section above, the vast bulk of those reserves are "permanent endowment", meaning that the capital itself must remain a permanent part of the trust's assets, and that only the income produced by the capital can be spent by the trust. BVT estimates that at year-end only £39,000 of these £851,000 of reserves were unencumbered, meaning the trust can deploy them as it sees fit.

The Trust's predecessor, the Harmsworth Memorial Trust, regularly drew income from its COIF investments to subsidise its operations, but not on the scale required over the past three years -or likely to be required in future without substantial changes to the trust's balance of income and expenditure.

Trustees estimate that in a normal year BVT's permanent endowment should produce an income of £20,000- £24,000 per annum (In 2023-24, BVT's COIF investments produced an estimated income of £22,795 on a yield of 2.68 per cent, compared to £23,383 in 2022-23 on a yield of 2.9 per cent). Yet the trust's deficit of income over expenditure in 2023-24 (excluding

COIF contributions) totalled £48,633. This suggests that going forward BVT needs to increase its revenues or cut its costs by circa £25,000 a year to stay on an even financial keel.

Why have finances deteriorated so sharply? Contributory factors include:

- Higher staff costs. Over the past 10 years the Trust and its predecessor have had to rely increasingly on paid staff or outside contractors, rather than volunteers, to operate and maintain Benenden Village Hall and its other assets.
- The high maintenance and capital investment demands of the Trust's ageing property portfolio and the low rental returns achieved on some of those assets.
- High inflation for goods and services in the wake of the Covid pandemic and the war in Ukraine.
- Unlike many village halls, which are run by parish/town councils, and largely staffed by volunteers, Benenden receives no support through the council precept and, apart from occasional grants and donations, is entirely dependent on its own resources to sustain its operations. It generates little or no income, and incurs large maintenance costs, on some of its assets of most value to the parish - namely the recreation grounds and playgrounds in Benenden and Iden Green.

To bring the finances back to balance, trustees are exploring the following:

- Income:
 - generate more income from more intensive hiring of Benenden Village Hall;
 - ensure that full commercial rents are charged for the trust's other property assets;
 - organise special fund-raising events, such as quiz nights or film showings;
 - seek funds from generous local donors;
 - encourage parishioners to consider a legacy to the trust in their will.
- Expenditure:
 - reduce spending by continuing to rigorously assess contracts with suppliers and the need for any non-routine outlays;
 - ensuring that any proposed project is absolutely necessary and offers good value for money;
 - encourage a return to volunteering if residents have useful skills that can help cut costs.

The Trust would be keen to hear from any members who have suggestions for helping with these initiatives, or ideas for others that will help ensure BVT has the financial means to support recreation in the village for generations to come.

Trustees' responsibilities in relation to the financial statements

The Charity's Trustees are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the Trustees on and signed on their behalf by:

Martin Dickson (Chairman of Trustees)

BENENDEN VILLAGE TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF BENENDEN VILLAGE TRUST

I report to the trustees on my examination of the accounts of the Benenden Village Trust (the Trust) for the year ended 31st March 2024.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

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

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

R Walsh FCCA
Manningtons, Chartered Accountants
39 High Street
Battle, East Sussex TN33 0EE

Date:

BENENDEN VILLAGE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

	Notes	Unrestricted Fund £	Permanent Endowment £	Recoupment Fund £	Total 2024 £	Total 2023 £
Incoming Resources						
Income from Charitable Activities						
Rental income		20,350	0	0	20,350	18,567
Hall income		36,083	0	0	36,083	38,739
Income from Generated Funds					0	
Investment Income	2	95	3	0	98	23
Grants, donations, legacies and similar income		332	0	0	332	425
					0	
Total Incoming Resources		56,860	3	0	56,863	57,754
Resources Expended						
Charitable Activities	3	105,882	0	0	105,882	95,806
Governance Costs	4	1,500	0	0	1,500	1,440
Total Resources Expended		107,382	0	0	107,382	97,246
Net Income/(Expenditure) Before Investment						
Gains/(Losses)		-50,522	3	0	-50,519	-39,492
Net Gains/(Losses) on Investments		54,253	11,019	28,999	94,271	-8,692
Net Movement in Funds		3,731	11,022	28,999	43,752	-48,184
Reconciliation of funds:						
Total Funds Brought Forward		55,740	533,231	238,237	827,208	875,392
Total Funds Carried Forward		59,471	544,253	267,236	870,960	827,208

The notes on Pages 10 to 13 form part of these Financial Statements.

BENENDEN VILLAGE TRUST

BALANCE SHEET AS AT 31ST MARCH 2024

		2024		2023	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	5		1,245		1,867
Investments	6		<u>850,668</u>		<u>806,398</u>
			851,913		808,265
Current Assets					
Debtors and prepayments		-		-	
Barclays bank accounts		7,211		17,198	
Barclays deposit account		14,176		3,185	
Cash in hand		<u>-</u>		<u>-</u>	
		21,387		20,383	
Current Liabilities					
due within one year	7	<u>2,340</u>		<u>1,440</u>	
		2,340			
Net current assets			19,047		18,943
Net Assets			<u><u>870,960</u></u>		<u><u>827,208</u></u>
Funds	8				
Unrestricted Funds			59,471		55,740
Permanent Endowment Fund			544,253		533,231
Recoupment Fund			267,236		238,237
Total Charity Funds			<u><u>870,960</u></u>		<u><u>827,208</u></u>

The financial statements were approved by the Board of Trustees on
and signed on its behalf by

..... Trustee

Date:

The notes on Pages 8 to 11 form part of these Financial Statements

BENENDEN VILLAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

1. Accounting Policies

1.1 Basis of preparation of accounts

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Benenden Village Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

1.2 Grants receivable, donations and similar incoming resources

Grants, donations and similar incoming resources are included in the year when received.

1.3 Investment income, rental and hire charges

Income from investment, rental and hire charges is included in the Statement of Financial Activities in the year in which it is receivable.

1.4 Resources expended

Resources expended are included on an accruals basis and include Value Added Tax which cannot be recovered.

1.5 Tangible fixed assets for use by the charity and depreciation

Tangible fixed assets for use by the charity are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fittings and equipment 25% written down value.

1.6 Fixed Asset Investments

Fixed asset investments are included at closing mid-market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sale proceeds and their market value at the start of the year or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

BENENDEN VILLAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2024

1.7 Governance costs

Expenditure on governance costs of the charity includes all expenditure not directly related to the charitable activity or fundraising ventures.

1.8 Funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds. Funds are restricted where the amounts received have a specified purpose.

2. Investment income

	Unrestricted Fund £	Permanent Endowment £	Recoupment Fund £	Total £	2023 £
Charities investment fund	0	3	0	3	3
Interest on deposits	95	0	0	95	20
	95	3	0	98	23

3. Charitable Activities

	Unrestricted Fund £	Permanent Endowment £	Recoupment Fund £	Total £	2023 £
Running costs	17,825	0	0	17,825	21,413
St. Georges	27,215	0	0	27,215	3,652
Iden Green	2,462	0	0	2,462	1,903
Village Hall expenses	51,814	0	0	51,814	54,933
Playgrounds	1,183	0	0	1,183	1,256
Recreation ground	3,201	0	0	3,201	8,827
Trees	1,560	0	0	1,560	3,200
Depreciation	622	0	0	622	622
	105,882	0	0	105,882	95,806

The Charity had on average 3 employees (2023 - 3). Included above are total salaries of £42,799 and pension contributions of £297.

BENENDEN VILLAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2024

4. Governance costs	Unrestricted	Total	2023
	£	£	£
Independent examiner's fee	1,500	1,500	1,440
	<u>1,500</u>	<u>1,500</u>	<u>1,440</u>

Trustees are not remunerated and no expenses were paid to them in the period.

5. Fixed assets	Freehold Properties	Fittings and Equipment	Total
	£	£	£
Cost or Written Down value			
At 1st April 2023	-	7,864	7,864
Additions	-		0
At 31st March 2024	<u>-</u>	<u>7,864</u>	<u>7,864</u>
Depreciation			
At 1st April 2023	-	5,997	5,997
Charge for the year	-	622	622
At 31st March 2024	<u>-</u>	<u>6,619</u>	<u>6,619</u>
Net book values			
At 31st March 2024	<u>-</u>	<u>1,245</u>	<u>1,245</u>
At 31st March 2023	<u>-</u>	<u>1,867</u>	<u>1,867</u>

The Trustees have decided not to have the open market value of the properties assessed and that, as there was no consideration paid for them, they are shown at nil cost/value.

BENENDEN VILLAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2024

6. Fixed Asset Investments

	2024	2023
	£	£
Valuation at 31 March 2023	806,397	855,090
Withdrawals	-50,000	-40,000
Revaluation - Unrestricted Fund	54,253	0
Revaluation - Permanent Endowment	11,019	0
Revaluation - Recoupment Fund	28,999	0
Revaluation (All Funds)	0	-8,692
Net book value at 31 March 2024	850,668	806,398

The Charity's investments consist of accumulation units in the Charities Official Investment Fund.

7. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Accruals and deferred income (Unrestricted)	2340	1440
	2,340	1,440

8. Funds

	2024	2023
	£	£
Unrestricted Funds	59,471	55,740
Permanent Endowment Fund	544,253	533,231
Recoupment Fund	267,236	238,237
	870,960	827,208

Permanent Endowment Funds form part of the charity's permanent charitable assets and only income produced by them can be used to fund operations.

Recoupment Funds form a section of the permanent endowment, being funds built up over 47 years to recoup the cost of building Benenden Village Hall.

9. Net Assets By Fund

	Unrestricted Permanent Recoupment				
	Fund	Endowment	Fund	Total	2023
	£	£	£	£	£
Fixed Assets	40,424	544,253	267,236	851,913	808,265
Current Assets	21,387	0	0	21,387	20,383
Current Liabilities	2,340	0	0	2,340	1,440
	59,471	544,253	267,236	870,960	827,208