

NORTHAMPTON MUNICIPAL CHURCH CHARITY CIO

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

REGISTERED CHARITY NO. 1182629

Jervis & Partners
Chartered Accountants
135/137 Wellingborough Road
Rushden
Northants
NN10 9TE

LEGAL AND ADMINISTRATIVE

Trustees: -

Mr R Pestell	- Chairman of Charity
Mr C N Fowler	- Chairman of Estate and Finance Committee
Mr C W Brooks	- Chairman of House Committee
Mr B C May	
Mr K T Davidson	
Mr B Sargeant	
Mrs P Flavell	
Mrs S Richards	
Mr A Parkinson	

Principal office: -

4 Grange Park Court, Roman Way, Northampton, NN4 5EA
Telephone: 01604 876697

Bankers: -

CAF Bank Ltd

Solicitors and Clerk to the Trustees: -

Wilson Browne Solicitors - 4 Grange Park Court, Roman Way, Northampton, NN4 5EA

Surveyors: -

Underwoods Chartered Surveyors, Shire House, Pyramid Close, Northampton, NN3 8PH

Auditors:

Jervis & Partners, 135/137 Wellingborough Road, Rushden, Northants NN10 9TE

REPORT OF THE TRUSTEES (CONTINUED)

Financial Review

Comparative figures, where shown, are taken from the old Charity and are for information purposes only. Accumulated general income as at 5 April 2021 totals £101,100.

Page 7 states the total revenue arising and expenditure incurred by the Charity. The General Fund surplus before direct charitable expenditure for the year was £92,947.

Reserves Policy

The Trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('Free Reserves') held by the Charity should be £50,000 in the General Fund. At this level the Trustees feel that they would be able to continue the current activities of the Charity. At present the Free Reserves are part of the General Fund, which amounts to £101,100 and exceeds the target level. This situation is regularly monitored.

Furthermore, as mentioned above, ongoing grants to organisations are reviewed annually and there is no commitment to continue them.

Investment Policy

The Trustees have considered the most appropriate policy for investing funds and invested these on the advice of Cave & Sons Limited, and Vartan & Son. The Investment objectives for Cave & Sons Limited are, without restrictions, to obtain a balanced return from income and capital, from investments, which have a medium to high risk. The investment objectives for Vartan & Son are, without restrictions, to obtain a reasonable long term overall return, from investments, which have a moderate level of risk.

Page 13 of the accompanying financial statements shows that as at 5 April 2021, these investments had an aggregate market value of £2,952,014.

Risk Review

The Trustees have conducted their own review of the major risks to which the Charity is exposed and systems have been established to mitigate those risks. The only risk to funding is a drop in the income both from shares and the properties. Internal risks are minimised by the implementation of procedures and insurance.

Generally

The Trustees wish to express their thanks to the warden of St. Thomas House for her excellent work and care of the residents there throughout the year, and to the Clerk's representatives for their assistances and advice.



.....
R Pestell
Chairman

27 October 2021

DRAFT INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

We have audited the financial statements on pages 7 to 17 for the year ended 5 April 2021 which comprises the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK".

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 5 April 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 Charities Act 2011.

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 charity 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.

Conclusion relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

NORTHAMPTON MUNICIPAL CHURCH CHARITY CIO
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2021

Page 7

	<u>Note</u>	<u>Unrestricted Funds</u> <u>General</u>	<u>Designated</u>	<u>Permanent</u> <u>Endowment</u> <u>Fund</u>	<u>Total</u> <u>2021</u>	<u>Total</u> <u>2020</u>
		£	£	£	£	£
(INFO ONLY)						
<u>INCOME</u>						
<u>Investment Income</u>						
Rents from Investment properties	5	59,526	-	-	59,526	59,118
Dividends receivable	6	77,079	-	-	77,079	79,405
Income Tax recoverable		1,072	-	-	1,072	1,995
Interest received		11	-	-	11	41
Insurance recovered from tenants		2,529	-	-	2,529	1,434
<u>CHARITABLE ACTIVITIES:-</u>						
St Thomas House maintenance contributions		-	68,821	-	68,821	70,210
<u>TOTAL INCOME</u>		140,217	68,821	-	209,038	212,203
<u>EXPENDITURE</u>						
Raising Funds	4	21,220	-	-	21,220	25,418
Charitable Activities	2	60,154	75,416	-	135,570	183,425
Other Expenses	3	26,540	-	14,182	40,722	37,016
<u>TOTAL EXPENDITURE</u>		107,914	75,416	14,182	197,512	245,859
<u>NET GAINS (LOSSES) ON INVESTMENTS</u>						
Investments - realised	8	-	-	74,615	74,615	4,623
- unrealised		-	-	310,665	310,665	(364,565)
Property - realised		-	-	-	-	-
- revaluation	5	-	-	-	-	-
<u>NET INCOME (EXPENDITURE)</u>		32,303	(6,595)	371,098	396,806	(393,598)
<u>TRANSFERS BETWEEN FUNDS</u>	8	(39,929)	39,929	-	-	-
<u>OTHER RECOGNISED GAINS(LOSSES)</u>						
Revaluation of fixed asset property	5	-	-	-	-	-
<u>NET MOVEMENT IN FUNDS</u>						
		(7,626)	33,334	371,098	396,806	<u>393,598</u>
<u>RECONCILIATION OF FUNDS</u>						
<u>FUND BALANCES TRANSFERRED:-</u>						
FROM NMCC		66,100	116,666	3,568,047	3,750,813	
FROM J + M LAWS FUND		42,626	-	1,033,949	1,076,575	
<u>FUND BALANCES</u> - C/fwd	8	101,100	150,000	4,973,094	5,224,194	

All income and expenditure derives from continuing activities

The accompanying accounting policies and notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Information

The Northampton Municipal Church CIO Charity is a charity registered in the United Kingdom. The address of the Clerk to the Trustees is given in the Legal and Administrative information on page 1 of the financial statements. The nature of the charity's operation and principal activities are fully detailed in the report of the Trustees on pages 2 and 3. The charity constitutes a public benefit entity as defined by FRS102.

(b) Basis of Accounting

The financial statements have been prepared under the historical cost accounting rules as modified by the inclusion of investments at market values in accordance with the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in 2015 (FRS 102) and with applicable accounting standards and the Charities Act 2011. The charity has applied Update Bulletin 1 as published in February 2016 and does not include a cash flow statement on the grounds that it is applying FRS102 1A.

(c) Income

Income from investments is included in the income account of the accounting period in which it is received, after deduction for income tax, if appropriate. Rental income from commercial investment properties is accounted for on an accruals basis. All other income is accounted for on a cash received basis. All income is recognized when the charity is legally entitled to it and the amount can be measured reliably and it is probable that it will be received.

(d) Expenditure

Grants are recognised when paid, after approval by the Trustees. All other expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly allocated to one of the funds shown in the SOFA where possible, or apportioned as appropriate.

(e) Fixed Assets

Freehold investment property is shown at market value, which is deemed to be fair value in accordance with the Statement of Recommended Practice (FRS 102). As a result of this, the properties are not depreciated. The properties are professionally revalued every five years.

Other freehold property is also shown at valuation. The policy is to depreciate the building but as it is maintained to a high standard for its charitable activities none is necessary as the residual value is not materially different to the carrying value. This is a departure from recognised accounting principles which require depreciation to be provided on all fixed assets. The Trustees consider that this policy is required in order that the financial statements give a true and fair view.

Revaluation gains/(losses) are included in the Statement of Financial Activities.

(f) Investments

Investments are included at market value at the year end date, which is deemed to be their fair value.

(g) Fund Accounting

The value and purpose of each fund is explained in note 8.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021**

2 Charitable Activities (continued)

	<u>2021</u> <u>Designated</u> <u>£</u>	<u>2020</u> <u>Designated</u> <u>£</u> (INFO ONLY)
Employee emoluments		
Wages, salaries and pensions	23,812	21,671
National insurance contributions	-	-
	<u>23,812</u>	<u>21,671</u>
 The average number of employees	 2	 2

No employees received emoluments exceeding £60,000, and the Trustees receive no remuneration or expenses.

3 Other Expenses

	<u>2021</u> <u>General Funds</u> <u>£</u>	<u>2020</u> <u>General Funds</u> <u>£</u> (INFO ONLY)
<u>Governance</u>		
Audit fees	3,727	4,131
Clerk's Fees	16,800	15,600
Bank Charges and Interest	69	60
Insurances	450	505
Professional Fees	5,494	3,900
	<u>26,540</u>	<u>24,196</u>
	<u>Permanent</u> <u>Endowment</u>	<u>Permanent</u> <u>Endowment</u> (INFO ONLY)
	<u>£</u>	<u>£</u>
Investment fees - Vartan	9,355	6,257
Investment fees - Cave	4,827	6,563
	<u>14,182</u>	<u>12,820</u>

4 Raising Funds

	<u>2021</u> <u>General Funds</u> <u>£</u>	<u>2020</u> <u>General Funds</u> <u>£</u> (INFO ONLY)
<u>Investment Property Expenses</u>		
Collectors Fees	7,587	3,498
Insurances	8,072	8,101
Professional Fees	1,558	2,839
Property Costs	4,003	10,980
	<u>21,220</u>	<u>25,418</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021**

6	Fixed Asset Investments	<u>Cost 2021</u>	<u>Cost 2020</u>	<u>Market Value 2021</u>	<u>Market Value 2020</u>	<u>Income 2021</u>	<u>Income 2020</u>
		£	£	£	£	£	£
			(INFO ONLY)		(INFO ONLY)		(INFO ONLY)
	<u>Permanent Endowment</u>						
	Cave & Sons Share Portfolio	834,509	906,427	1,049,342	903,427	42,655	48,849
	Vartan & Sons Share Portfolio	1,632,042	761,357	1,902,672	673,065	34,424	30,556
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		2,466,551	1,667,784	2,952,014	1,576,492	77,079	79,405
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Movement in Market Value

	<u>Cave & Sons Portfolio</u>	<u>Vartan Portfolio</u>	<u>Total</u>
	£	£	£
Market value 6.4.20	903,427	673,065	1,576,492
Additions and transfers in year	106,462	1,534,111	1,640,573
Disposals in year	(133,965)	(488,400)	(622,365)
Unrealised (losses) gains in year	132,676	177,989	310,665
Movement in cash deposits	40,742	5,907	46,649
	<hr/>	<hr/>	<hr/>
Market value 5.4.21	1,049,342	1,902,672	2,952,014
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

7 Creditors due within 1 year

	2021 £	2020 £ (INFO ONLY)
Creditors and Accruals	25,525	18,163
Rent deposits	7,187	-
	<hr/>	<hr/>
	32,712	18,163
	<hr/>	<hr/>

8 Funds Analysis (continued)

(a) General Fund

The General Fund represents the unrestricted funds, which the Trustees are free to use in accordance with the charitable objects.

(b) St Thomas' House Fund

This is an unrestricted, designated fund showing the income from and other expenditure in respect of St Thomas' House for accounting and budgeting purposes.

(c) The Cyclical Maintenance Fund

This is an unrestricted, designated fund for regular repairs and works to St Thomas' House and the St Giles Street properties. After consultation, the Trustees have decided to cap the fund at £50,000 each year.

(d) The Extraordinary Repair Fund

This is an unrestricted fund designated by the Trustees for major refurbishment and repairs to St Thomas' House and the St Giles Street properties. The Trustees have decided that any future Extra Ordinary Repairs will not exceed £100,000.

(e) The Permanent Endowment Fund

This contains those assets, which cannot be distributed by the Charity, being St Thomas' House, the St Giles Street properties and land at Kislingbury, and investments mainly purchased with the sale proceeds of the land at Boughton Green. Investment managers fees are deducted from this fund.

9 Related Parties

There are no related party transactions this year.