

Registered number: 12063279
Charity number: 1185976

COVENT GARDEN IP LTD
(A company limited by shares and registered charity)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

COVENT GARDEN IP LTD
(A company limited by shares and registered charity)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees	Ashley John Powell, Managing Director Juan Roberto Hernandez, Director of Temporal Affairs Michael Kurt Dehner, Director
Company registered number	12063279
Charity registered number	1185976
Principal office and registered office	187 Penns Lane Sutton Coldfield West Midlands B76 1JU
Independent auditor	Grant Thornton UK LLP Chartered Accountants 17th Floor 103 Colmore Row Birmingham West Midlands B3 3AG
Bankers	HSBC 34 Poplar Road Solihull West Midlands B91 3AF Citibank CitiGroup Centre 33 Canada Square London E14 5LB
Solicitors	Daniel Clifford Law LLP 76 Caledonian Road London N1 9DN

COVENT GARDEN IP LTD
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report together with the audited financial statements of Covent Garden IP Limited ("the Charitable Company") for the year to 31 December 2021.

The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Trustees' report and financial statements of the Charitable Company comply with the current statutory requirements, the requirements of the Charitable Company's governing documents and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charitable Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Structure, governance and management

Governing document

The Charitable Company is a company limited by shares and a registered charity. The Charitable Company is governed by its Memorandum and Articles of Association which have not been amended since incorporation.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Appointment of Trustees

The directors of the Charitable Company are its Trustees for the purpose of charity law and throughout this report and collectively referred to as the Trustees.

As set out in the Articles of Association, new or additional directors are to be appointed by the sole shareholder Property Reserve Inc ("PRI"), a Utah non-profit corporation, providing such persons are willing so to act, either to fill a vacancy or as an additional Trustee. Terms and procedures for appointments are set out in the articles.

The board of Trustees meets at least once a year, sometimes remotely.

Trustee induction and training

New Trustees undergo orientation training to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the Charitable Company. During the year updates are sent to the Trustees on topical issues of which they need to be aware. Further briefings and training are provided at the Annual board meeting.

Trustees are updated and advised on legal issues by Daniel Clifford Law LLP solicitors.

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

Structure, governance and management (continued)

Organisation

The Charitable Company exists to support The Church of Jesus Christ of Latter-day Saints ("the Church"). The Trustees are members of the Church.

The Church is directed by the First Presidency supported by The Quorum of the Twelve Apostles and various quorums of the Seventy. Members of these quorums are called General or Area Authorities, three of whom will be assigned to serve as an Area Presidency within a specific geographic area.

Accordingly, advice as to the interests of the Church is given to the Charitable Company via the shareholder and is reflected in the Trustees' decisions.

Employees

The Charitable Company has no employees, and does not envisage having any.

Related parties

The Charitable Company is owned solely by PRI. One of the Trustees and officers of PRI is also an authorised agent of the Utah corporation known as the Church of Jesus Christ of Latter-day Saints ("CHC") (formerly known as the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints). The Church of Jesus Christ of Latter-day Saints (Great Britain) ("GB"), the Church's primary organ in the UK, is also owned by CHC, and consequently is treated as a related party in this report and financial statements.

The Charitable Company has a close relationship with its sister charity, GB, and the wider Church. There is regular cooperation between the charities when necessary.

Public benefit

The Trustees receive training on the guidance on public benefit published by the Charitable Company Commission in exercising their powers and duties, including the supplementary public benefit guidance for charities whose aims include advancing religion.

The next training day will take place at the Annual General Meeting.

The Charitable Company achieves a public benefit by financially supporting the Church and its charitable endeavours.

Policies

Full policies are available from the Charitable Company's offices.

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

Structure, governance and management (continued)

Investment powers and policy

Under the Memorandum and Articles of Association, the Charitable Company has the power to invest in any way the Trustees deem to be in the best interests of the Charitable Company.

The Charitable Company's objective is to broaden the asset base of the Church and provide reliable income and increased financial security for Church organisations in the UK and elsewhere. Its current aim is to do this by investing in UK commercial property

The Charitable Company expects to make relatively few individual investments, but they would be expected to be relatively large. Each investment will be carefully and extensively considered by the Trustees and their advisors. The appetite for risk is low.

Fundraising

Although the Charitable Company has sufficient income to fund day to day costs, such that fundraising is not normally necessary, it anticipates that it may need to raise funds in the near future, in order to procure certain capital improvements to its investment property (see below). Any such funds will be secured from PRI and or the wider Church.

Should other significant investment opportunities present themselves in the future that would require further funds which cannot be provided out of income, the Charitable Company and its shareholder will consider injecting more capital into the Charitable Company.

Strategic report

Objectives and achievements

The object of the Charitable Company is:

- To promote and further the religious and other charitable work of The Church in the United Kingdom and elsewhere.

The Charitable Company does this by investing in and holding commercial property for the benefit of the Church. The policy is to broaden the asset base of the Church and provide reliable income and increased financial security for Church organisations in the UK and elsewhere. Success is to be measured in commercial terms, and over the long term.

The current activities involve the leasing of a tenanted commercial office property valued at circa £100m in central London, the collecting of rents, and the making of the first grants to GB.

The short-term aim is the establishment of this investment business and the making of the first Grants to GB.

The Charitable Company has achieved its aims for the period:

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

Strategic report (continued)

Investments

The Charitable Company currently achieves this aim by investing in UK commercial property, and donating the profits to relevant Church entities, as per the Charitable Company's Investment Policy.

The Charitable Company holds just one investment, being Alder Castle, 10 Noble Street, London, EC2V 7J, which it acquired on 31 December 2019. Alder Castle is a commercial property subject to existing leases to commercial clients.

This investment falls within the objects of the Charitable Company as it promotes and furthers the religious and other charitable work of The Church of Jesus Christ of Latter-day Saints in the UK in 3 ways:

- It is a grade A investment property situated in the heart of the City of London.
- It is fully tenanted (subject to the below) and so provides rental income which will be further used to support the charitable work of the Church.
- It will provide a space for a chapel for a congregation of the Church to meet in the centre of London.

Management of the leases was delegated to CBRE under a property management agreement. Funds received from the leases are paid to Covent Garden IP Ltd's CBRE account.

Donations

The Trustees made a donation to GB of £2,300,000 within the period, in furtherance of its objects.

Financial review

Significant events

One of the tenants of Alder Castle, Lloyds Bank PLC, has given notice to terminate its tenancy in August 2022. Although not relevant to the period to which this report relates, this will impact on the plans and income for the following period.

Income and profits

The Charitable Company's total income for the period was £5,582,528 (2020: £110,200,304). Total losses for the period were £2,945,278 (2020: profit of £107,452,233). Total surplus for the period excluding losses on revaluation of fixed assets was £1,804,722 (2020: £108,821,174).

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

Reserves and donation policy

The Charitable Company will retain sufficient reserves to cover its operating costs. Its reserves at the end of the period were £104,507,055 (2020: £107,452,333), which include investment property to be held for the foreseeable future with a value of £97,750,000. Free reserves excluding the investment property were £6,757,055 (2020: £4,952,333) at the period end. Its existing commitments were £2,064,545 (2020: £1,669,615), being deferred income and other creditors.

Beyond this, the Charitable Company will retain profits sufficient to investigate and enter into further investments should worthwhile opportunities arise.

All remaining income will be donated to a Church entity. In most cases this will be GB.

Risks

Although it is not clear yet what long-term effect the COVID-19 pandemic is likely to have on working patterns in central London, this may affect the income of the Charitable Company in the medium to long term. These changes do not pose a material risk, as its investments are unencumbered and there is no significant prospect of the Charitable Company's income falling below its costs.

The Trustees will maintain this low risk profile by refraining from entering into new arrangements in the foreseeable future, and by taking professional advice on all aspects of management.

Plans for future periods

GB has also indicated that it would like to establish a meeting house in central London, and considers that Alder Castle would be a suitable site. The Trustees agree that this would be a suitable use of Alder Castle, and in accordance with the Company's purpose; they have therefore decided to, after Lloyd's have vacated the building, renovate part of Alder Castle to make it suitable for use as a meeting house; designs are underway. Permission for this change of use has been obtained. We are confident that the Charitable entity has met its objectives this financial year and that it will continue to do so.

The costs of renovating Alder Castle to make it suitable for GB will prohibit the Charitable Company from making a donation to the Church within the period following the one to which this report relates. It may, in addition, be necessary to seek a further cash injection from the wider Church to fund the renovation, but the Church has indicated to the Trustees that such funds are available if so needed.

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

Going concern, risks and uncertainties

The main risk the Charitable Company faces is that the income from its investments reduces. Given the COVID-19 pandemic and the potential for it to change the desirability of central London commercial space, this is a possibility. However,

- the Charitable Company's rental income is highly unlikely to reduce below the Charitable Company's expenses;
- although expenditure in the following period may exceed income on account of an exceptional one off investment, that investment will be funded from further donations to the Charitable company from the wider Church, with such funding agreed before liabilities are accrued;
- the Charitable Company has no debt; and
- the shareholder has guaranteed the Charitable Company future financial support, where necessary.

So there are no material uncertainties about the Charitable Company's ability to continue as a going concern.

Disclosure of information to auditor

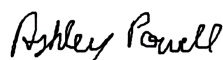
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Ashley John Powell

Trustee

Date: 14/9/2022

COVENT GARDEN IP LTD
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees (who are also the directors of Covent Garden IP Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles set out in the Charities SORP (FRS 102);
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

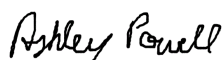
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of Trustees and signed on its behalf by:



Ashley John Powell

Trustee

Date: 14/9/2022

COVENT GARDEN IP LTD
(A company limited by shares and registered charity)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF COVENT GARDEN IP LTD

Opinion

We have audited the financial statements of Covent Garden IP Ltd (the 'Charitable Company') for the year ended 31 December 2021, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of 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, including its income and expenditure 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 have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 charitable company 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

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charitable Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Charitable Company to cease to continue as a going concern.

In our evaluation of the Trustees' conclusions, we considered the inherent risks associated with the Charitable Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Trustees and the related disclosures and analysed how those risks might affect the Charitable Company's financial resources or ability to continue operations over the going concern period.

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 Charitable Company'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.

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INDEPENDENT AUDITOR'S REPORT TO THE OF COVENT GARDEN IP LTD (CONTINUED)

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.

The responsibilities of the Trustees with respect to going concern are described in the 'Responsibilities of trustees for the financial statements' section of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report, prepared for the purposes of company law, included in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements
- the Strategic Report and the Directors' Report included in the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Report.

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INDEPENDENT AUDITOR'S REPORT TO THE OF COVENT GARDEN IP LTD (CONTINUED)

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 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 exemption from the requirement to prepare a strategic report or in preparing the Trustee's Report.

Responsibilities of directors for the financial statements

As explained more fully in the Trustee's Responsibilities Statement as set out on page 8, the Trustees (who are also the directors of the charitable company for the purposes 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 Charitable Company'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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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INDEPENDENT AUDITOR'S REPORT TO THE OF COVENT GARDEN IP LTD (CONTINUED)

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and the sector in which it operates. We determined that the following laws and regulations were most significant: the Charities SORP, the Charities Act 2011, the Companies Act 2006, and The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).
- We understood how the charitable company is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes, and through our legal and professional expenses review.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
 - Challenging assumptions and judgments made by management in its significant accounting policies
 - Identifying and testing journal entries
 - Identifying and testing related party transactions
 - Inspecting the board minutes
 - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
 - Knowledge of the industry in which the charitable company operates, and
 - Understanding of the legal and regulatory requirements specific to the entity including the provisions of the applicable legislation.
- The team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through manipulation of income.
- We did not identify any matters relating to non-compliance with laws and regulation and fraud.

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INDEPENDENT AUDITOR'S REPORT TO THE OF COVENT GARDEN IP LTD (CONTINUED)

- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - The charitable company's operations, including the nature of its revenue sources, to understand the classes of transactions, accounts balances, expected financial statement disclosures and business risks that may result in risks of material misstatement, and
 - The charitable company's control environment, including
 - Management's knowledge of relevant laws and regulations and how the charitable company is complying with those laws and regulations
 - The adequacy of procedures for authorisation of transactions and review of management accounts, and
 - Procedures to ensure that possible breaches of laws and regulations are appropriately resolved

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable 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 Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



William Devitt
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Senior Statutory Auditor, Chartered Accountants

Birmingham
Date: 14/9/2022

COVENT GARDEN IP LTD
(A company limited by shares and registered charity)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

		Unrestricted funds	Total funds	<i>Total funds 13 months ended 31 December 2020</i> £
	Note	31 December 2021 £	31 December 2021 £	
Income from:				
Donations and legacies	3	-	-	105,086,485
Investments	4	5,582,528	5,582,528	5,113,819
Total income		<u>5,582,528</u>	<u>5,582,528</u>	<u>110,200,304</u>
Expenditure on:				
Investment management costs	5	1,457,513	1,457,513	1,360,797
Charitable activities	7	2,320,293	2,320,293	18,333
Total expenditure		<u>3,777,806</u>	<u>3,777,806</u>	<u>1,379,130</u>
Net movement in funds before other recognised gains/(losses)		<u>1,804,722</u>	<u>1,804,722</u>	<u>108,821,174</u>
Other recognised gains/(losses):				
Losses on revaluation of fixed assets	9	(4,750,000)	(4,750,000)	(1,368,941)
Net movement in funds		<u>(2,945,278)</u>	<u>(2,945,278)</u>	<u>107,452,233</u>
Reconciliation of funds:				
Total funds brought forward		107,452,233	107,452,233	-
Net movement in funds		(2,945,278)	(2,945,278)	107,452,233
Total funds carried forward		<u>104,506,955</u>	<u>104,506,955</u>	<u>107,452,233</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 27 form part of these financial statements.

COVENT GARDEN IP LTD
(A company limited by shares and registered charity)
REGISTERED NUMBER: 12063279

BALANCE SHEET
AS AT 31 DECEMBER 2021


	Note	2021 £	2020 £
Fixed assets			
Investment property	9	97,750,000	102,500,000
		<u>97,750,000</u>	<u>102,500,000</u>
Current assets			
Debtors	10	435,425	605,865
Cash at bank and in hand		8,386,175	6,016,083
		<u>8,821,600</u>	<u>6,621,948</u>
Creditors: amounts falling due within one year	11	(2,064,545)	(1,669,615)
Net current assets		<u>6,757,055</u>	<u>4,952,333</u>
Total assets less current liabilities		<u>104,507,055</u>	<u>107,452,333</u>
Net assets excluding pension asset		<u>104,507,055</u>	<u>107,452,333</u>
Total net assets		<u><u>104,507,055</u></u>	<u><u>107,452,333</u></u>
Charity funds			
Restricted funds		-	-
Unrestricted funds			
General funds		104,506,955	107,452,233
Share capital	12	100	100
Total unrestricted funds		<u>104,507,055</u>	<u>107,452,333</u>
Total funds		<u><u>104,507,055</u></u>	<u><u>107,452,333</u></u>

COVENT GARDEN IP LTD
(A company limited by shares and registered charity)

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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



Ashley John Powell

Date: 14/9/2022

The notes on pages 18 to 27 form part of these financial statements.

COVENT GARDEN IP LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

		31 December 2021 £	13 months ended 31 December 2020 £
	Note		
Cash flows from operating activities			
Net cash used in operating activities	13	2,370,092	6,115,916
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(99,833)
Net cash provided by/(used in) investing activities		-	(99,833)
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		2,370,092	6,016,083
Cash and cash equivalents at the beginning of the year		6,016,083	-
Cash and cash equivalents at the end of the year	14	8,386,175	6,016,083

The movement in net debt for the current period is identical to the movements in cash flows set out above.

The notes on pages 18 to 27 form part of these financial statements

COVENT GARDEN IP LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Covent Garden IP Ltd is a company and registered charity, limited by shares, incorporated in England and Wales. Its registered office is 187 Penns Lane, Sutton Coldfield, West Midlands, B76 1JU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), and the Companies Act 2006.

Covent Garden IP Ltd 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.

The prior accounting period was for 13 months from 1 December 2019 to 31 December 2020.

2.2 Going concern

The main risk the Charitable Company faces is that the income from its investments reduces. Given the COVID-19 pandemic and the potential for it to change the desirability of central London commercial space, this is a possibility. However,

- the Charitable Company's rental income is highly unlikely to reduce below the Charitable Company's expenses;
- although expenditure in the following period may exceed income on account of an exceptional one off investment, that investment will be funded from further donations to the Charitable company from the wider Church, with such funding agreed before liabilities are accrued;
- the Charitable Company has no debt; and
- the shareholder has guaranteed the Charitable Company future financial support, where necessary.

So there are no material uncertainties about the Charitable Company's ability to continue as a going concern.

COVENT GARDEN IP LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charitable Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Rentals receivable under operating leases and service charge income are credited to the Statement of Financial Activities on a straight-line basis over the lease term.

Where a donation of a fixed asset is received, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charitable Company's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charitable Company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Rentals receivable under operating leases and service charge income are credited to the Statement of Financial Activities on a straight-line basis over the lease term.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the Charitable Company to raise funds for its charitable purposes and predominantly relates to the costs of managing, maintaining and running the investment property.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charitable Company's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

All expenditure is inclusive of irrecoverable VAT.

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

2. Accounting policies (continued)

2.5 Investments

Investment property is carried at fair value determined annually by the trustees, informed by periodic valuations carried out and derived from external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of financial activities.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.9 Financial instruments

The Charitable Company 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.10 Judgements and estimates

The charitable company estimated the value of the donated property, as well as the value of investment property at the period end. The estimation uncertainty is low.

2.11 Company status

The Charitable Company is limited by share capital, incorporated in England and Wales (No. 12063279) and regulated by its Memorandum and Articles of Association.

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

2. Accounting policies (continued)

2.12 Trustees and employees remuneration

The Charitable Company had no employees during the period and therefore no payments of salary or benefits have been made during the year exceeding £60,000.

Trustees did not receive any remuneration or reimbursement of expenses during the period.

3. Income from donations and legacies

	Unrestricted funds	Total funds	<i>Total funds 13 months ended 31 December 2020 £</i>
	31 December 2021 £	31 December 2021 £	
Donations			
Donation of investment property	-	-	103,769,108
Donation of pre transfer property income	-	-	1,317,377
Total donations received	<u>-</u>	<u>-</u>	<u>105,086,485</u>
	<u>-</u>	<u>-</u>	<u>105,086,485</u>
	<u>-</u>	<u>-</u>	<u>105,086,485</u>

4. Investment income

	Unrestricted funds	Total funds	<i>Total funds 13 months ended 31 December 2020 £</i>
	31 December 2021 £	31 December 2021 £	
Rental income	4,723,387	4,723,387	4,063,260
Service charge income	859,141	859,141	1,050,559
	<u>5,582,528</u>	<u>5,582,528</u>	<u>5,113,819</u>

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

5. Investment management costs

	Unrestricted funds	Total funds	<i>Total funds 13 months ended 31 December 2020</i>
	31 December 2021 £	31 December 2021 £	<i>2020 £</i>
Utilities	324,756	324,756	250,384
Management fees	101,578	101,578	60,000
General building supplies	131,422	131,422	(1,034)
Legal and professional fees	20,000	20,000	20,750
Property maintenance	381,038	381,038	601,627
Security	337,195	337,195	296,962
Property rates	24,726	24,726	6,394
Insurances	50,097	50,097	42,721
Cleaning	85,817	85,817	82,993
Bank charges	884	884	-
Total 2021	<u>1,457,513</u>	<u>1,457,513</u>	<u>1,360,797</u>

6. Analysis of grants

	Grants to Institutions	Total funds	<i>Total funds 13 months ended 31 December 2020</i>
	31 December 2021 £	31 December 2021 £	<i>2020 £</i>
Grants	2,300,000	2,300,000	-

During the year, a grant of £2,300,000 was made to The Church of Jesus Christ of Latter-day Saints (Great Britain).

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

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds	Total funds	<i>Total funds 13 months ended 31 December 2020 £</i>
	31 December 2021 £	31 December 2021 £	
Grants	2,300,000	2,300,000	-
Accountancy	(7,920)	(7,920)	6,202
Bank charges	213	213	131
Audit fees	28,000	28,000	12,000
	<u>2,320,293</u>	<u>2,320,293</u>	<u>18,333</u>

8. Auditor's remuneration

	31 December 2021 £	<i>13 months ended 31 December 2020 £</i>
Fees payable to the Charitable Company's auditor for the audit of the Charitable Company's annual accounts	28,000	12,000
Fees payable to the Charitable Company's auditor in respect of: All non-audit services not included above	<u>6,400</u>	<u>3,000</u>

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

9. Investment property

	Freehold investment property £
Valuation	
At 1 January 2021	102,500,000
Deficit on revaluation	(4,750,000)
	<hr/>
At 31 December 2021	97,750,000
	<hr/> <hr/>

The investment property was valued by independent valuers, Colliers International, as at 31 December 2021. The fair value when donated was £103,769,108.

10. Debtors

	2021 £	2020 £
Trade debtors	74,939	584,917
Other debtors	339,209	100
Prepayments and accrued income	21,277	20,848
	<hr/>	<hr/>
	435,425	605,865
	<hr/> <hr/>	<hr/> <hr/>

COVENT GARDEN IP LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	133,279	-
Other taxation and social security	173,918	179,470
Other creditors	470,106	305,550
Accruals and deferred income	1,287,242	1,184,595
	<u>2,064,545</u>	<u>1,669,615</u>

Deferred income amounts to £1,251,186 (2020: £1,176,539).

	2021 £	2020 £
Deferred income at 1 January 2021	1,176,539	-
Resources deferred during the year	1,251,185	1,176,539
Amounts released from previous periods	(1,176,538)	-
	<u>1,251,186</u>	<u>1,176,539</u>

Deferred income is in relation to rental income received in advance.

12. Share capital

	2021 £	2020 £
100 Ordinary shares at £1.00 each	<u>100</u>	<u>100</u>

100 Ordinary shares were issued at par on incorporation.

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

13. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	<i>13 months ended 2020</i> £
Net income for the year (as per Statement of Financial Activities)	1,804,722	108,821,174
Adjustments for:		
Decrease/(increase) in debtors	170,440	<i>(605,765)</i>
Increase in creditors	394,930	<i>1,669,615</i>
Donation of investment property	-	<i>(103,769,108)</i>
Net cash provided by operating activities	2,370,092	6,115,916

14. Analysis of cash and cash equivalents

	2021 £	<i>2020</i> £
Cash in hand	8,386,175	<i>6,016,083</i>
Total cash and cash equivalents	8,386,175	<i>6,016,083</i>

15. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	6,016,083	2,370,092	8,386,175
	6,016,083	2,370,092	8,386,175

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

16. Related party transactions

During the prior year, Covent Garden IP Ltd acquired investment property at fair value of £103,769,108 by way of donation from The Church of Jesus Christ of Latter-day Saints (Great Britain). The Church of Jesus Christ of the Latter-day Saints (Great Britain) also gave with the investment property the property income pre transfer of £1,317,377.

This property is shown within investment property.

Covent Garden IP Ltd made a grant of £2,300,000 to The Church of Jesus Christ of Latter-day Saints (Great Britain) during the year.

17. Controlling party

The Board considers that the immediate parent undertaking of the Charitable Company is Property Reserve Inc, a non-profit corporation based in Utah, USA by virtue of the fact that it is the sole shareholder of the Charitable Company. The ultimate parent undertaking is considered to be The Church of Jesus Christ of Latter-day Saints, also based in Utah, USA.