



Independent examiner's report on the accounts

Section A

Independent Examiner's Report

**Report to the trustees/
members of**

Tilehurst Church Lands

**On accounts for the year
ended**

December 2021

**Charity no
(if any)**

201971

Set out on pages

1-2 & N1-N5

(remember to include the page numbers of additional sheets)

**Respective
responsibilities of
trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

**Basis of independent
examiner's statement**

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

**Independent
examiner's statement**

In connection with my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in, any material respect, the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

** Please delete the words in the brackets if they do not apply.*

Signed:

Date:

31/10/2022

Name:

Inga Brovkinaite

**Relevant professional
qualification(s) or body
(if any):**

Address:	105 London Street
	Reading
	RG1 4QD

Section B**Disclosure**

Only complete if the examiner needs to highlight material problems.

Give here brief details of any items that the examiner wishes to disclose.

CHURCH LANDS CHARITY OF TILEHURST (Regd No. 201971)

STATEMENT OF FINANCIAL ACTIVITIES - year ended 31 December 2021

	Notes	General Fund (Unrestricted)	Building Reserve Fund (Unrestricted Designated)	Endowment Fund (Restricted Permanent Endowment)	Total 2021	Total 2020
Incoming resources		£	£	£	£	£
Income earned from assets	2(a)	47,450.00	0.00	0.00	47,450.00	40,050.00
Rent allocated to subsequent year					0.00	0.00
Other ordinary incoming resources	2(b)	0.00	0.00	0.00	0.00	0.00
Income from investments	2(c)	0.11	0.00	0.00	0.11	1.94
Total incoming resources		47,450.11	0.00	0.00	47,450.11	40,051.94
Resources used		£	£	£	£	£
Management & Administration	3(a)	7,471.52	0.00	0.00	7,471.52	6,682.42
Costs of activities in furtherance of the Charity's objects	3(b)	5,664.00	0.00	0.00	5,664.00	34,761.77
Grants in furtherance of the Charity's objects	3(c)	0.00	0.00	0.00	0.00	0.00
Total resources used		13,135.52	0.00	0.00	13,135.52	41,444.19
Net incoming / (outgoing) resources		34,314.59	0.00	0.00	34,314.59	(1,392.25)
Transfer into fund		0.00	0.00	0.00	0.00	0.00
Transfer (out of fund)		0.00	0.00	0.00	0.00	0.00
Gains / (losses) on investments - unrealized	4	0.00	7,779.35	15,144.83	22,924.18	11,754.17
Gains on Investment Realised					0.00	0.00
Net movement in funds		34,314.59	7,779.35	15,144.83	57,238.77	10,361.92
Balances brought forward at 1 January 2020	5, 13	141,219.42	44,745.54	87,110.56	273,075.52	262,713.60
Balances carried forward at 31 December 2020	6, 13	175,534.01	52,524.89	102,255.39	330,314.29	273,075.52

CHURCH LANDS CHARITY OF TILEHURST (Regd No. 201971)

BALANCE SHEET - at 31 December 2021

MONETARY ASSETS

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Investments	8		154,780.28		131,856.10
Current assets					
Income Tax recoverable	9	0.00		0.00	
Debtors	10	875.00		875.00	
Cash at bank and in hand	6	<u>202,745.85</u>		<u>140,431.92</u>	
		203,620.85		141,306.92	
Creditors: amounts falling due within one year					
Deferred income	11	0.00		0.00	
Accruals	12	<u>28,086.84</u>		<u>87.50</u>	
		28,086.84		87.50	
Net current assets			<u>175,534.01</u>		<u>141,219.42</u>
Net assets			<u>330,314.29</u>		<u>273,075.52</u>

Represented by:

Funds

Endowment capital (restricted)	1, 13	102,255.39	87,110.56
Designated income (unrestricted)	1, 13	52,524.89	44,745.54
General fund (unrestricted)	1	<u>175,534.01</u>	<u>141,219.42</u>
		<u>330,314.29</u>	<u>273,075.52</u>

NON-MONETARY ASSETS

Permanent Endowment

Investment land and buildings	7	Church Cottages Nos 1-4
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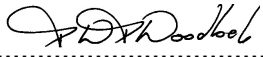
Accounts approved by the Trustees at a meeting on (subject to independent examination)

15/03/2023

SignedElizabeth Radcliffe.....

Chairman for the meeting

15/03/2023

Signed.....

Honorary Clerk & Treasurer

The notes on pages N-1 to N-4 form part of these financial statements.

CHURCH LANDS CHARITY OF TILEHURST (Regd No. 201971)

NOTE 1 - ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared: (a) in accordance with applicable accounting standards and the SORP applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015), (b) on an accruals basis and (c) under the historical cost convention (except for the valuation of investment assets and freehold interests in land and buildings, which are shown at market value).

b) Funds

General funds represent the funds of the Charity that are not subject to any specific restrictions regarding their use and are available for the general purposes of the Charity.

Designated funds are unrestricted income funds, similar to general funds, but which have been designated for a particular purpose by the Trustees. The Building Reserve Fund is an unrestricted designated fund which is intended to cover all aspects of building work including routine maintenance, renovations and improvements.

Restricted funds are those funds which have a specific restriction on their use. There are three types:-

- Restricted income funds may be expended on the specified purpose
- Expendable endowment funds are retained until converted in whole or in part into restricted income to be expended on the specified purpose
- Permanent endowment funds must be retained indefinitely, although investment income may be expendable. The Charity's Endowment Fund is a permanent endowment fund established under the Charity Commission order dated 11 June 1984,

whereby a capital sum of £32,000 was intended to be accumulated in a 20 year period from 1986 to 2005, by the payment of £1,020 annually. The income from the fund was to be compounded until 12 months after the twentieth payment; thereafter the income may be used for the general purposes of the Charity.

In past years, the annual payments had fluctuated above and below the required level, and the relationship between funds and investment accounts was not clearly defined. This situation was rectified in the accounts for FY2000 when the Trustees agreed an re-apportionment of investments between the Building Reserve Fund and Endowment Fund. The Endowment Fund was then increased to a level in excess of that required by the Charity Commission order, in order to improve the likelihood of attaining a capital sum of approximately £32,000 by the close of 2005. See also Note 13 later (Page N-4) for details.

The financial statements include all transactions, assets and liabilities for which the Charity is responsible in law.

c) Incoming resources

Rental income from the letting of Charity premises is recognised when the rental is due. Gross rents are shown in the accounts, with property management charges being shown as separate items of expenditure. Dividends and interest are accounted for when receivable.

d) Resources used

Costs are accounted for when committed. Grants are accounted for when awarded.

e) Fixed assets

The Church Cottages are the non-functional property of the Charity, i.e. the land and buildings are investments used to raise income to be spent on the purposes of the Charity, not to help achieve the purposes of the Charity directly. They are also the permanent endowment of the Charity and as such are deemed to be inalienable assets. No depreciation is applied to these assets on the grounds that depreciation would be minimal and the Trustees intend to revalue the assets on a regular basis. All expenditure incurred on fixtures, fittings and furnishings is written off in the SOFA. Investments are valued at market value at 31 December 2015

unless otherwise stated.

f) Trustees, officers, employees & expenses

The Charity's personnel comprised three Trustees (the Rector and the two Churchwardens) plus two Officers (the Honorary Clerk & Treasurer and the Superintendent). The Charity had no paid employees during the year. The Trustees and the Honorary Clerk & Treasurer received no remuneration or benefits in kind during the year. The Superintendent received an honorarium for the year. Trustees and Officers are normally reimbursed for small purchases and administrative expenses.

CHURCH LANDS CHARITY OF TILEHURST (Regd No. 201971)

NOTE 2 - INCOMING RESOURCES (£)

	<u>Unrestricted funds</u>		<u>Restricted fund</u>		
	General	Building Reserve	Endowment	2021 Total	2020 Total
a) Income earned from assets					
Rents	47,450.00	0.00	0.00	47,450.00	40,050.00
b) Other ordinary incoming resources					
Sundries (e.g. unrepresented cheques, insurance claim, refunds)		0.00	0.00	0.00	
c) Income from investments					
Dividends, interest	0.11	0.00	0.00	0.11	1.94
Total incoming resources	47,450.11	0.00	0.00	47,450.11	40,051.94

NOTE 3 - RESOURCES EXPENDED (£)

	2021	2021	2020	2020
a) Management & administration				
Quinquennial inspection	0.00		0.00	
Administration expenses	0.00		0.00	
Property management	6,439.20		6,137.62	
Insurance	632.32		544.8	
Honoraria	400.00		0.00	
		7,471.52		6,682.42
b) Costs in furtherance of the Charity's objects				
Water rates for No. 1	0.00		120.26	
Water softening	156.00		0.00	
Servicing & Gas Safety	440.00		342.00	
Repairs & Maintenance (gen)	5,068.00		34,269.22	
Decoration & Furnishing	0.00		0.00	
Council Tax	0.00		0.00	
Gas & Electric	0.00		30.29	
Sundries	0.00		0.00	
		5,664.00		34,761.77
c) Grants in furtherance of the Charity's objects				
St.Michael's P.C.C. / Other	0.00		0.00	
		0.00		0.00
Total resources expended		13,135.52		41,444.19

NOTE 4 - GAINS / (LOSSES) ON INVESTMENTS UNREALIZED (£)

	2021	2021	2020	2020
a) COIF accumulation shares a/c (1)				
01/Jan/2021: nil	0.00		0.00	
Acquired: nil	0.00		0.00	
Disposals: nil	0.00		0.00	
31/Dec/2021: nil	0.00		0.00	
		0.00		0.00
b) COIF accumulation shares a/c (2)				
01/Jan/2021: 638.21 @20660.3p	131,856.10		120,101.93	
Acquired: nil	0.00		0.00	
Disposals: nil	0.00		0.00	
31/Dec/2021: 638.21 @24252.25p	154,780.28		131,856.10	
		22,924.18		11,754.17
c) COIF accumulation shares a/c (3)				
01/Jan/2021: nil	0.00		0.00	
Acquired: nil	0.00		0.00	
Disposals: nil	0.00		0.00	
31/Dec/2021: nil	0.00		0.00	
		0.00		0.00
Total net gains / (losses)		22,924.18		11,754.17

CHURCH LANDS CHARITY OF TILEHURST (Regd No. 201971)

NOTE 5 - BALANCES BROUGHT FORWARD AT 1 JANUARY 2021

	<u>Unrestricted funds (£)</u>		<u>Restricted fund (£)</u>
	General	Building Reserve	Endowment
Lloyds Bank current a/c	140,479.64	0.00	0.00
COIF savings a/c	739.78	0.00	0.00
COIF accumulation a/c (1)	0.00	0.00	0.00
COIF accumulation a/c (2)	0.00	44,745.54	87,110.56
COIF accumulation a/c (3)	0.00	0.00	0.00
Total initial balances	141,219.42	44,745.54	87,110.56

The Lloyds current a/c balance on 01/01/2021 was £161439.16. The current a/c figure shown above for the General Fund is the 01/01/2021 balance net of FY2020 Debtors (see Note 10) and Creditors (see Notes 11, 12).

Investment apportionment for Endowment Fund is based on 421.6326 units for COIF a/c (2) and 200.24 units (100%) for COIF a/c (3) fund: (see Note 13).

NOTE 6 - BALANCES CARRIED FORWARD AT 31 DECEMBER 2021

	<u>Unrestricted funds (£)</u>		<u>Restricted fund (£)</u>
	General	Building Reserve	Endowment
Lloyds Bank current a/c	174,794.12	0.00	0.00
COIF savings a/c	739.89	0.00	0.00
COIF accumulation a/c (1)	0.00	0.00	0.00
COIF accumulation a/c (2)	0.00	52,524.89	102,255.39
COIF accumulation a/c (3)	0.00	0.00	0.00
Total closing balances	175,534.01	52,524.89	102,255.39

The Lloyds current a/c balance on 31/12/2021 was £202005.96. The current a/c figure shown above for the General Fund is the 31/12/2021 balance net of FY2021 Debtors (see Note 10) and Creditors (see Notes 11, 12).

Investment apportionment for Endowment Fund is based on 421.6326 units for COIF a/c (2) and 200.24 units (100%) for COIF a/c (3) fund: (see Note 13).

NOTE 7 - NON-MONETARY ASSETS - PERMANENT ENDOWMENT

a) Freehold interest in land and buildings

The Charity owns a terrace of four cottages, known as Nos. 1-4 Church Cottages, New Lane Hill, Tilehurst. This investment property is the permanent endowment of the Charity. The insurance value in 2002 was set at £89,124 per cottage (total £356,496). In August 2001, a professional valuation gave an open market value, subject to tenancies, of £637,000.

b) Fixtures, fittings, equipment and furnishings

The cottages are let unfurnished and include domestic installations - mains services, central heating, water softening, bathroom sanitaryware, kitchen units and carpets/floor coverings (which may be renewed to a reasonable standard for new tenants). The values are included in the values for land and buildings.

From the end of 2001 the Trustees embarked on a 10-year planned maintenance programme. New gas central heating boilers and double-glazing have been installed in all cottages. Extensive phased internal and external renovation work was completed to No.4 cottage (2002) and has continued to Nos. 1 and 3 cottages.

c) Depreciation

Not applicable to these accounts. Fixed assets are to be regularly revalued. All expenditure on fixtures, fittings, furnishings etc are written off in the same financial year.

NOTE 8 - INVESTMENTS

	2021	2020
	£	£
Fixed asset investments		
a) COIF accum. shares a/c (1)		
31/Dec/2021: nil	0.00	0.00
b) COIF accum. shares a/c (2)		
31/Dec/2021: 638.21 @24252.25p	154,780.28	131,856.10
c) COIF accum. shares a/c (3)		
31/Dec/2021: nil	0.00	0.00
	154,780.28	131,856.10

CHURCH LANDS CHARITY OF TILEHURST (Regd No. 201971)

NOTE 9 - INCOME TAX RECOVERABLE

The Charity does not currently have an Inland Revenue Tax Reference number, but the Trustees will monitor the potential For reclaiming tax paid on investment returns

NOTE 10 - DEBTORS

	2021 £	2020 £
(a) Rent due in 2020 but not received till 2021 (ie: late)	0.00	0.00
(b) Uncleared receipts	875.00	875.00
(c) Other - Change in Honorarium	0.00	0.00
	<u>875.00</u>	<u>875.00</u>

NOTE 11 - DEFERRED INCOME

	2021 £	2020 £
(a) Rent due in 2022 but received in 2021 (ie: early)	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
	<u>0.00</u>	<u>0.00</u>

NOTE 12 - ACCRUALS

	2021 £	2020 £
(a) Superintendent Honorarium	87.50	87.50
(b) Uncleared payments	0.00	0.00
(c) Other	<u>27,999.34</u>	<u>21,747.02</u>
	<u>28,086.84</u>	<u>21,834.52</u>

Note: The Honorarium should be paid six monthly in arrears, each March and September. Hence, 3 months should be accrued between September and December, with the payment in March. In practice the whole has been paid each summer.

NOTE 13 - INVESTMENT APPORTIONMENT FOR ENDOWMENT FUND

From 1986, the Charity is required to make 20 annual payments of £1,020, compounded, to build up a capital sum of £32,000 in 2005.

In 2000, the Trustees agreed on an apportionment of the Charity's investments, assigning 402.40 shares of the COIF accumulation account (No. 2) to the Endowment Fund. The remaining 235.81 shares were assigned to the Building Reserve Fund. The value of the COIF accumulation units on 31/12/00 was 5,964.17p per share.

In 2001, an apportionment was made to provide for the annual payment of £1,020. On 31/12/2001, a further 19.23 shares of the COIF accumulation account (No. 2) were notionally assigned to the Endowment Fund, making a total of 421.63 shares. The value on 31/12/2001 was 5,304.35p per share, giving a total payment value of £1,020.

Normally, the annual payment of £1,020 to the Endowment Fund was by transfer out of the General Fund. In 2001, the Trustees agreed to make a transfer out of the Building Reserve Fund; effectively transferring £1,020 from Building Reserve to General, and then from General to Endowment. This gave the following benefits:

- (a) It avoided selling investments at a time of low share prices.
- (b) It avoided depletion of cash resources in the General Fund prior to extensive building works on No. 4.

In 2002, no further adjustment was made. The value on 31/12/02 was only 4,366.60p per share, because conditions on the Equities Markets had reduced the investment value. Further investment was to be considered in 2003.

In 2003, the Trustees agreed to purchase new COIF accumulation shares into a new account (no.3) to increase the Endowment Fund. On 18/12/03, a total of 200.24 shares at 5,053.76p per share were purchased for £10,000.

In 2004, no COIF shares were purchased as the Endowment Fund and Market conditions had improved. On 31/12/04, the total Endowment Fund was valued at £34,769 and exceeded the 2005 target of £32,000 which was set in 1984.

At 31/12/21 the Endowment Fund was valued at £102,255.39.

At 31/12/21 the minimum required total value of the Endowment Fund is £45,902.31 based on £32,000 as at 31/12/04 adjusted by inflation over that period.