

THE CHURCH AND TOWN ESTATE PROPERTY CHARITY (HEMPNALL)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

THE CHURCH AND TOWN ESTATE PROPERTY CHARITY (HEMPNALL)

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THE CHURCH AND TOWN ESTATE PROPERTY CHARITY (HEMPNALL)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees

B Masterson, Hempnall Trust (Chairman)
C Barnes, Hempnall Trust
P Brookes, Educational Foundation
R Eagle, Educational Foundation
D Hook, Educational Foundation
M Kingston, Ex-Officio Rector
G Munson, Hempnall Trust
J Kelly, Hempnall Trust
P Workman, Hempnall Trust
D Scott, Hempnall Trust
P Askew, Hempnall Trust
H Fraser, Hempnall Trust
D Key, Church Warden
C Key, Church Warden
P Stone, Hempnall Trust
C Rodger, Hempnall Trust
D Trevanion, Educational Foundation (appointed March 2020)
M Williams, Hempnall Trust (appointed October 2020)

THE CHURCH AND TOWN ESTATE PROPERTY CHARITY (HEMPNALL)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report together with the financial statements of the charity for the 1 January 2020 to 31 December 2020.

Objectives and activities

a. Objectives and activities

The main objects of the charity are to divide the clear income of the charity into four equal parts and to pay one of such parts to the trustees of the Town Estates Educational Foundation as the endowment of that foundation, another of such parts to the Trustees of the Church Estates Charity as the endowment of that charity and the remaining two of such parts to the Trustees of the Hempnall Trust as the endowment of that charity.

Income is received as dividends and interest from the charity's investment portfolio. Bank interest and rents from the charity's property are also received.

The trustees confirm that in exercising their powers and duties, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

b. Activities undertaken to achieve objectives

The income for the year amounted to £67,822 (2019: £86,361) and after property maintenance and administrative expenses there was distributable income available to the related charities of £61,876 (2019: £78,094).

c. Grant-making policies

Except for the costs of managing the charity, its property and other investments, all income is dispersed to the dependent charities.

Achievements and performance

a. Investment policy

The trustees aim through the charities investment policy is to balance capital growth with income returns in order for the charity to generate funds to meet the current and future needs of the beneficiaries of the associated charities.

Following a review of the charities listed investment holdings, considering in particular factors such as diversification, fund stability and projected returns, the trustees decided to move the listed investments to Sarasins Endowment Class A Income Fund.

THE CHURCH AND TOWN ESTATE PROPERTY CHARITY (HEMPNALL)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Strategic report (continued)

Financial Review

a. Reserves policy

The Trustees have followed advice given by the Charity Commission and investments provide both capital growth and income sufficient to meet the needs of the dependent charities.

All funds are held as endowed funds and all net income is distributed to the dependent charities as it is received. Hence no free reserves arise.

Structure, governance and management

a. Constitution

The company is registered as a charity and was constituted by a Charity Commission Scheme on 23 February 1917 varied by an order dated 16 February 1978.

b. Related party relationships

The charity shares common control with the following charities:

- The Hempnall Trust - (50%)
- The Town Estate Educational Foundation (Hempnall) - (25%)
- The Church Estate Charity (Hempnall) - (25%)

The Church and Town Estate Property Charity (Hempnall) provides funding for the above charities and the percentages represent the proportion of net income they each receive from the distribution. The Trustees of each of the related charities also serve as trustees for this charity. Transactions between the related parties are set out in notes 6 and 16. The methods adopted for the recruitment and appointment of new Trustees therefore follow the policies adopted by the dependent charities, as disclosed in their financial statements.

THE CHURCH AND TOWN ESTATE PROPERTY CHARITY (HEMPNALL)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Charity Commission Scheme. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

B Masterson
(Chair of Trustees)
Date:

6/6/2021

THE CHURCH AND TOWN ESTATE PROPERTY CHARITY (HEMPNALL)

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Independent examiner's report to the Trustees of The Church and Town Estate Property Charity (Hempnall) ('the charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 December 2020.

Responsibilities and basis of report

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

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

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared the accounts 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no 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 charity as required by section 130 of the 2011 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.

Signed:

Dated: 28 June 2021

Giles Kerkham FCA DChA

Larking Gowen LLP
Chartered Accountants
Norwich

THE CHURCH AND TOWN ESTATE PROPERTY CHARITY (HEMPNALL)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:				
Donations and legacies	2	-	-	1,500
Investments	3	63,708	63,708	78,981
Property income	4	4,114	4,114	5,880
		<hr/>	<hr/>	<hr/>
Total income and endowments		67,822	67,822	86,361
Expenditure on:				
Other costs	5	5,946	5,946	8,267
Payments to related charities		61,876	61,876	78,094
		<hr/>	<hr/>	<hr/>
Total expenditure		67,822	67,822	86,361
		<hr/>	<hr/>	<hr/>
Net losses on investments		(266,395)	(266,395)	224,865
		<hr/>	<hr/>	<hr/>
Net movement in funds		(266,395)	(266,395)	224,865
Reconciliation of funds:				
Total funds brought forward		1,839,357	1,839,357	1,614,492
Net movement in funds		(266,395)	(266,395)	224,865
		<hr/>	<hr/>	<hr/>
Total funds carried forward		1,572,962	1,572,962	1,839,357
		<hr/>	<hr/>	<hr/>

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

The notes on pages 8 to 17 form part of these financial statements.

THE CHURCH AND TOWN ESTATE PROPERTY CHARITY (HEMPNALL)

**BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
Fixed assets			
Investments		1,556,527	1,822,922
		<u>1,556,527</u>	<u>1,822,922</u>
Current assets			
Debtors	10	-	1,000
Investments	11	16,431	16,431
Cash at bank and in hand		5,878	4,044
		<u>22,309</u>	<u>21,475</u>
Creditors: amounts falling due within one year	12	(5,874)	(5,040)
Net current assets		<u>16,435</u>	<u>16,435</u>
Total net assets		<u><u>1,572,962</u></u>	<u><u>1,839,357</u></u>
Charity funds			
Endowment funds		1,572,962	1,839,357
Total funds		<u><u>1,572,962</u></u>	<u><u>1,839,357</u></u>

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

B Masterson

Date:

6/6/2021

The notes on pages 8 to 17 form part of these financial statements.

THE CHURCH AND TOWN ESTATE PROPERTY CHARITY (HEMPNALL)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

1.1 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Church and Town Estate Property Charity (Hempnall) 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.

1.2 Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

The endowment fund represents the capital of the charity, which is invested in perpetuity. Gains and losses on endowment fund investments accrue to the fund. Investment income net of administration costs is divided between the dependent charities as described in the Trustees' Report.

1.3 Income

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

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.4 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation of activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

THE CHURCH AND TOWN ESTATE PROPERTY CHARITY (HEMPNALL)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.5 Investments

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

1.6 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.7 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.

1.8 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 charity 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.

1.9 Financial instruments

The charity 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, and investments which are initially measured at the transaction value and are subsequently measured at market value.

2. Income from donations and legacies

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Grants - Norfolk Wildlife Trust	-	-	1,500
	<hr/>	<hr/>	
<i>Total 2019</i>	1,500	1,500	
	<hr/>	<hr/>	

THE CHURCH AND TOWN ESTATE PROPERTY CHARITY (HEMPNALL)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Investment income

	Endowment funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Dividends and interest	63,708	63,708	78,981
	<u>63,708</u>	<u>63,708</u>	<u>78,981</u>

All investment income in 2019 was allocated to Endowment funds.

4. Property income

	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Rentals	-	2,005	2,005	1,899
Rural Payments Agency	-	2,109	2,109	3,981
	<u>-</u>	<u>4,114</u>	<u>4,114</u>	<u>5,880</u>
<i>Total 2019</i>	<u>1,720</u>	<u>4,160</u>	<u>5,880</u>	

THE CHURCH AND TOWN ESTATE PROPERTY CHARITY (HEMPNALL)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. Analysis of other costs

	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Secretary's salary and expenses	-	1,272	1,272	737
Independent Examination and Accountancy	-	1,088	1,088	1,056
Insurance	-	1,227	1,227	1,175
Property Management Fees	-	388	388	387
Sundry	-	32	32	-
Krons Meadow Project	-	939	939	3,912
Meetings (note 16)	-	1,000	1,000	1,000
	-	5,946	5,946	8,267
<i>Total 2019</i>	3,220	5,047	8,267	

6. Related Charities

	Hempnall Trust 2020 £	Church Estate Charity 2020 £	Town Estate Educational Charity 2020 £	Total funds 2020 £
Balance at 1 January 2020	1,866	1,059	1,059	3,984
Allocation of income for the year ended 31 December 2020	30,937	15,469	15,469	61,875
Less: Amounts paid to the related charities	(31,539)	(14,767)	(14,767)	(61,073)
Balance at 31 December 2020 (Creditor)	1,264	1,761	1,761	4,786

THE CHURCH AND TOWN ESTATE PROPERTY CHARITY (HEMPNALL)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Prior Year

	Hempnall Trust 2019 £	Church Estate Charity 2019 £	Town Estate Educational Charity 2019 £	Total funds 2019 £
Balance at 1 January 2019	(379)	1,688	1,688	2,997
Allocation of income for the year ended 31 December 2019	39,048	19,523	19,523	78,094
Costs paid on behalf of related charities (note 16)	(2,052)	(1,026)	(1,026)	(4,104)
Less: Amounts paid to the related charities	(34,751)	(19,126)	(19,126)	(73,003)
Balance at 31 December 2019 (Creditor)	<u>1,866</u>	<u>1,059</u>	<u>1,059</u>	<u>3,984</u>

7. Independent examiner's remuneration

	2020 £	2019 £
Fees payable for the independent examination of the charity's annual accounts	<u>1,088</u>	<u>1,056</u>

8. Trustees' remuneration and expenses

During the year ended 31 December 2020, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, no Trustee expenses have been incurred (2019 - £NIL).

THE CHURCH AND TOWN ESTATE PROPERTY CHARITY (HEMPNALL)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Fixed asset investments

	Listed Investments 2020 £	Freehold Land 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Market Value				
At 1 January 2020	1,577,922	245,000	1,822,922	1,598,057
Additions	1,298,346	-	1,298,346	-
Disposals	(1,298,346)	-	(1,298,346)	-
Gain/(Loss)	(266,395)	-	(266,395)	224,865
Total 2020	<u>1,311,527</u>	<u>245,000</u>	<u>1,556,527</u>	<u>1,822,922</u>
<i>Total 2019</i>	<u>1,577,922</u>	<u>245,000</u>	<u>1,822,922</u>	

THE CHURCH AND TOWN ESTATE PROPERTY CHARITY (HEMPNALL)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Investments (at market value)

	2020	2019
	£	£
UK Investments		
Endowed fund 1,098,432 Sarasins Class A Income Units	1,311,527	
Endowed fund 95,016 M7G Securities Charifund Income Units		1,577,922
Total investments	1,311,527	1,577,922
Freehold Land (at market value)		
Pasture Land		
7.32 Acres - Great Town Carr		
2.85 Acres - Little Town Carr		
1.90 Acres - West Town Tindales		
2.40 Acres - East Town Tindales		
2.76 Acres - Town Meadow		
0.25 Acres - East Town Tindales Allotments	70,000	70,000
Arable Land		
5.98 Acres - Bressingham		
8.47 Acres - Town Piece		
4.29 Acres - Middle Town Piece	125,000	125,000
Allotments		
1.72 Acres - Mill Close	50,000	50,000
	245,000	245,000
Total	1,556,527	1,822,922

Freehold land is included at the trustees' estimate of market value.

10. Debtors

	2020	2019
	£	£
Due within one year		
Prepayment - Mill Centre	-	1,000
	-	1,000

THE CHURCH AND TOWN ESTATE PROPERTY CHARITY (HEMPNALL)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Current asset investments

	2020 £	2019 £
Fixed term deposit	16,431	16,431

12. Creditors: Amounts falling due within one year

	2020 £	2019 £
Accruals	1,088	1,056
Related charities	4,786	3,984
	5,874	5,040

13. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	1,298,346	1,577,922
	1,298,346	1,577,922

Financial assets measured at fair value through income and expenditure comprise listed investments.

THE CHURCH AND TOWN ESTATE PROPERTY CHARITY (HEMPNALL)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Summary of funds

Summary of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
Endowment funds	1,839,357	67,822	(67,822)	(266,395)	1,572,962

Summary of funds - prior year

	<i>Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2019 £</i>
Endowment funds	1,614,492	83,141	(83,141)	224,865	1,839,357
Restricted funds	-	3,220	(3,220)	-	-
	1,614,492	86,361	(86,361)	224,865	1,839,357

15. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Endowment funds 2020 £	Total funds 2020 £
Fixed asset investments	1,556,527	1,556,527
Current assets	22,309	22,309
Creditors due within one year	(5,874)	(5,874)
Total	1,572,962	1,572,962

THE CHURCH AND TOWN ESTATE PROPERTY CHARITY (HEMPNALL)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

15. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Endowment funds 2019 £</i>	<i>Total funds 2019 £</i>
Fixed asset investments	1,822,922	1,822,922
Current assets	21,475	21,475
Creditors due within one year	(5,040)	(5,040)
Total	1,839,357	1,839,357

16. Related party transactions

In the prior year the charity paid the annual accountancy fees of the three related charities, which it recharged to them via their intra-charity accounts (note 6). This year all of the charities each paid their annual accountancy fees.

Room rental for trustee meetings amounting to £1,000 (2019: £1,000) was paid to the Mill Bar Company Ltd, a subsidiary of The Hempnall Trust (note 5).