

RICHMOND CHURCH CHARITY ESTATES

England & Wales · Charity number 212770

Details

Other names RICHMOND CHURCH ESTATE

Status Registered

Legal form Other

Registered 1965-11-04

Register [View on the Charity Commission register](#)

Contact

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Richmond
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Activities

Objects: THE OBJECTS OF THE CHARITY ARE:(1) THE TRUSTEES SHALL EXPEND A SUM NOT EXCEEDING ONE THOUSAND AND TWO HUNDRED POUNDS IN EACH YEAR FOR THE FOLLOWING PURPOSES:(A) A SUM OF SEVEN HUNDRED POUNDS TOWARDS ANY RELIGIOUS PURPOSES CONNECTED WITH THE PARISH CHURCH OF RICHMOND INCLUDING REPAIRS TO, IMPROVEMENTS OF OR ADDITIONS TO THE SAID CHURCH AND ITS PRECINCTS AND THE MAINTENANCE OF SERVICES THEREIN OR CONNECTED THEREWITH AND SUBJECT THERETO;(B) A SUM OF ONE HUNDRED POUNDS TOWARDS THE UPKEEP AND REPAIR OF THE VICARAGE OF THE PARISH CHURCH OF RICHMOND;(C) A SUM OF TWO HUNDRED POUNDS FOR ANY RELIGIOUS PURPOSES IN CONNECTION WITH ST. JOHN'S CHURCH RICHMOND INCLUDING REPAIRS TO, IMPROVEMENTS OF OR ADDITIONS TO THE SAID CHURCH AND ITS PRECINCTS AND THE MAINTENANCE OF THE SERVICES THEREIN OR CONNECTED THEREWITH;(D) A SUM OF ONE HUNDRED POUNDS FOR ANY RELIGIOUS PURPOSES IN CONNECTION WITH HOLY TRINITY CHURCH RICHMOND INCLUDING REPAIRS TO, IMPROVEMENTS OF OR ADDITIONS TO THE SAID CHURCH AND ITS PRECINCTS AND THE MAINTENANCE OF THE SERVICES THEREIN OR CONNECTED THEREWITH;(E) A SUM OF ONE HUNDRED POUNDS FOR ANY RELIGIOUS PURPOSES IN CONNECTION WITH ST. MATTHIAS CHURCH RICHMOND INCLUDING REPAIRS TO, IMPROVEMENTS OF OR ADDITIONS TO THE SAID CHURCH AND ITS PRECINCTS AND THE MAINTENANCE OF THE SERVICES THEREIN OR CONNECTED THEREWITH.(2) ANY SURPLUS INCOME SHOULD BE USED AT THE DISCRETION OF THE TRUSTEES FOR:(A) ANY OF THE PURPOSES SET OUT IN SUB-CLAUSE (1)(A); OR (B) FOR THE FURTHER BUILDING UP OF THE EXTRAORDINARY REPAIR FUND FOR THE PARISH CHURCH OF RICHMOND, PROVIDED THAT THE TRUSTEES ARE EMPOWERED AT THEIR DISCRETION FROM TIME TO TIME IN THE EVENT OF ANY SERIOUS EMERGENCY MAKING SUCH A GRANT DESIRABLE IN THEIR OPINION OUT OF THIS SURPLUS INCOME TO MAKE A GRANT TO ANY ONE OR MORE OF THE THREE CHURCHES OF ST. JOHN'S, HOLY TRINITY OR ST. MATTHIAS.

Activities: To apply the charity's income for any religious purposes of Richmond Parish Church including repairs to, improvements of or additions to the Church and its precincts and the maintenance of services therein

Classification

- **How:** Makes Grants To Organisations
- **What:** Religious Activities
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** PARISH OF RICHMOND.
- Richmond Upon Thames
- Surrey

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£489,976	£1,134,857	-	-
2024-12-31	£465,503	£1,084,920	-	-
2023-12-31	£454,250	£583,386	-	-
2022-12-31	£399,503	£527,607	-	-
2021-12-31	£399,344	£598,319	-	-
2020-12-31	£387,762	£377,692	-	-

Trustees

Name	Role	Appointed
ANNA MARY KHAN		2019-10-23
Dr EMMA LOUISE MEREDITH		2026-01-19
Ruth Alicia Martin		2023-11-07
Stephen Matthew Brown		2021-04-28

RICHMOND CHURCH CHARITY ESTATES

England & Wales - Charity number 212770

Accounts

REGISTERED CHARITY NUMBER: 212770

RICHMOND CHURCH CHARITY ESTATES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

RICHMOND CHURCH CHARITY ESTATES

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RICHMOND CHURCH CHARITY ESTATES

ANNUAL REPORT

The Trustees present their report with the financial statements of the Charity for the year ended 31 December 2025

Charitable objectives

The principal object of the Charity is to apply its income for any religious purposes of Richmond Parish Church (St Mary Magdalene) including repairs to, improvements of, or additions to the Church and its precincts, and the maintenance of the services therein or connected therewith.

The Trustees are required to:

1) Make the following fixed annual appropriations amounting in total to £1,200:

Richmond Parish Church	- £700
The Vicarage of the Parish Church of Richmond	- £100
St John the Divine Church, Richmond	- £200
St Matthias Church, Richmond	- £100
Holy Trinity Church, Richmond	- £100

Any funds available for distribution are to be applied towards any religious purposes connected with the Parish Church of Richmond, or the building of a fund for extraordinary repairs to the same, or any serious emergency affecting the other churches named above.

2) Prepare annual financial statements reflecting in full the activities of the Charity.

Following a Pastoral Reorganisation in 1995, Richmond Parish Church (St Mary Magdalene) combined with St John the Divine and St Matthias to form Richmond Team Ministry. Richmond Team Ministry is used in this Annual Report to denote Richmond Parish Church except where otherwise stated.

The Charity was established by an Act of Parliament of 1828 although its origins are believed to date to a grant of land made by Merton Priory in 1375.

Total Return Approach

By an Order dated 15 December 2009 the Charity Commission consented to the Charity adopting the Total Return approach, enabling the Trustees of the Charity to decide which part (if any) of the unapplied total return from the assets of the Charity shall be distributed. The effect of the Order is that the Trustees have discretion to distribute any amount up to the total value of the unapplied total return in furtherance of the objectives of the Charity, or to retain the whole of the unapplied total return (i.e., to make no distribution).

The Trustees have determined that, in the exercise of this power, the guiding principle to be observed is to maintain the purchasing power of the permanent endowment.

The Trustees review the distribution rate on a triennial basis. In April 2024 an increase in the rate to 2.75% from 2.5%, using the existing methodology of the moving average of total funds of the Charity for the audited financial statements in the three immediately preceding years, was approved. The new rate is applicable for distributions in each of the three financial years from 31 December 2024.

The Financial Investments were administered and managed by discretionary investment managers.

Public benefit

The Trustees confirm that they have referred to the guidance on Public Benefit issued by the Charity Commission and consider that the Charity's stated objectives meet the test of being for the public benefit. None of the Trustees receive any private benefit from the activities of the Charity.

RICHMOND CHURCH CHARITY ESTATES

ANNUAL REPORT

ACHIEVEMENT AND PERFORMANCE

Activities during the year

Once again Richmond Church Charity Estates has delivered on its key objective of providing funding for the fabric and repair of Richmond Parish Church. The annual grant for 2025 was £ 513,100, an increase of 7.1% over 2024. In addition, the second tranche of £500,000 to support the Parish Rooms project was made as well as a grant £12,000 to Holy Trinity, Richmond for emergency roofing work, in line with our charitable objectives. A grant of £50,000 for the replacement of the bells at St Mar Magdalene was approved but not paid until after the year end. In October one of our residential properties, 46 St Mary's Grove, was put up for sale and an offer has been accepted. The sale is expected to complete during the first quarter of 2026 when the proceeds will be reinvested with our discretionary investment managers.

Our total income increased to £489,976 and expenditure fell to £57,388 as fewer repairs were required on our property portfolio were partially offset by management fees paid to discretionary fund managers for the first time as described more fully below. While investment income rose due to the full year impact of investments made in 2024, interest receivable fell due to lower average amounts held on deposit and falling rates for the amount that were held on deposit. Income from investments rose by 5%, partly reflecting the increased allocation of funds while property income also increased when a property let on a nominal rent to house the Children and Youth Worker for Richmond Team Ministry ended early and the property was then let at market rent. Because of our adoption of a Total Return approach to distributions, we can pay out from capital if our combined income is insufficient to meet our distribution target of 2.75% of total capital.

Excluding significant cash reserves, capital is unchanged for 2025 with approximately 65% investments, held in investment funds with allocations across investment classes and geographically as determined by our discretionary investment managers, and 35% residential property. The cash reserves figure remains high pending further distributions. The mix will change next year following the property sale explained above and is in line with our previously stated intention to sell down over time the property portfolio and reinvest in investment funds. We are flexible in pursuit of this longer-term target.

During the first quarter of the year the Trustees appointed two discretionary investment managers, Cazenove Capital and Sarasin & Partners to manage the investment portfolio which should provide a more sustainable long-term stewardship of our investments. The value of the portfolio recovered strongly last year despite geo-economic and geo-political turbulence.

The governance of charities continues to be under some scrutiny, but I still believe we remain in a good place in this respect. Good governance requires good trustees. Alan Saunders stepped down as Chairman at our November meeting, and we thank him for his investment expertise which has served us during his Chairmanship. We also said goodbye to Amanda Adams and wish her well and welcome Emma Meridith. As ever, we continue to be well served by our Clerk, Tony Demby who is diligent in his stewardship of our portfolio. I believe we can continue to view the future with some confidence.

FINANCIAL REVIEW

Net expenditure for the year was £16,019 (2024 - £778,999 net expenditure). The increase is the result of higher investment income, lower expenditure and reduced unrealised losses on the property portfolio.

Total income for the year of £489,976 (2024 - £465,503) was principally due to increased property rent and higher income from financial investments.

Income from investments increased by 5.1% to £309,866 (2024: £294,864) due to the full year impact of investments made in the previous year. Investments with a value greater than 5% of the portfolio at 31 December 2025 were:

Cazenove Multi-Asset Fund
Sarasin Endowments Fund

Property income for the year of £144,001 (2024: £114,266) increased by 26.0% following the return of a property let at a nominal rent and which was subsequently re-let at the prevailing open market rent.

RICHMOND CHURCH CHARITY ESTATES

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Net unrealised gains on investments were £628,862 (2024 - £159,582 unrealised loss). The gains on the investment portfolio of £636,062 (2024 - £333,918) include net realised gains of £35,671 as part of the process of transferring assets to the discretionary fund managers. An unrealised loss on the property portfolio of £5,500 (2024 - £493,500 unrealised loss). In October 2026 a restricted tenancy property became vacant. The property was put up for sale. The agreed sale price resulted in an uplift in value of the property that offset the reduction in value of the other properties in the portfolio. The property was sold at its carrying value in March 2026

Cash deposits held in a money market fund generated interest income of £36,109 (2024: £56,373), was 36% lower due to the payment of additional grants of £512,000 (2024 - £520,404) which had the effect of reducing the average funds held on deposit. Interest income was further adversely impacted by the continued fall in interest rates during the year.

Grants made of £1,060,200 (2024 - £985,604) include additional grants of £512,000 comprising £500,000 (2024 - £500,000) to St Mary Magdalene for the second tranche of the grant for the redevelopment of the Parish Rooms and £12,000 (2024 - £20,404) for emergency repair works to Holy Trinity, Richmond and the approval of a grant of £50,000 for the bells at St Mary Magdalene which was paid after the year end. Excluding these amounts, the regular grants given were £498,200 (2024: £465,200), an increase of 7.1%.

FUTURE PLANS

The Trustees aim to maintain the fabric of the investment properties by carrying out programmed maintenance and other repairs as required until whole properties become vacant when they will normally be sold and the proceeds invested with the discretionary investment managers.

RISK MANAGEMENT

The Trustees consider, evaluate, and record the major risks to which the Charity is exposed, assessing both the likelihood and impact of those risks being realised, together the measures in place to manage and mitigate such risks on an annual basis. The results are recorded in the Risk Register. The risks with the highest assessment (considering both impact and likelihood) are shown below, together with actions and mitigations:

Description	Mitigation/Action
Loss of key staff	The Clerk to the Trustees is the only employee. A procedures manual has been prepared. The Clerk meets regularly with the Chair.
Investment risk	The Charity is invested in investment funds and residential investment properties in Richmond. The management of investment assets is delegated to two discretionary investment managers. The Charity has an Investment Policy which is reviewed annually. The portfolio performance is monitored against the benchmark set in the Investment Policy.
Sufficient cash to make grants	The Charity accumulates cash from distributions made on its investment portfolio during the year to ensure that it has sufficient cash available by the date of the award of the to the annual grants to meet the obligation and, six months of other expenditure to avoid realising assets during a period of sudden decline in financial markets. A 12-month cash flow forecast is reviewed at each Trustee meeting to ensure that sufficient cash will be available.
Changes to property tenant rights	The residential investment properties are let as Assured Shorthold Tenancies or as Regulated tenancies. Management of the properties is delegated to a property management company who are responsible for revising the tenancy agreements when legislative changes are made.
Changes to landlord requirements for property	The residential investment properties are subject to regular inspections in accordance with regulatory requirements. Management of the properties is delegated to a property management company who are responsible for compliance with regulatory requirements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Richmond Church Charity Estates is a registered charity (No 212770). The principal governing documents are an Act of Parliament of 1828, parts only of which still apply, and a Charity Commission Scheme dated 27 May 2004.

RICHMOND CHURCH CHARITY ESTATES

ANNUAL REPORT

Governance

The Trustees have ultimate responsibility for all aspects of the Charity's work. In particular, determining the strategy, direction and, monitoring progress in relation to strategic objectives and its performance.

The Charity's constitution provides that the number of Trustees shall be not more than seven, nor less than three. The Trustees meet at least twice a year. Trustees can serve for a maximum of two consecutive terms of four years each. The Chair can serve an additional two years beyond the end of his or her second term. Trustees will usually be individuals with some involvement with St Mary Magdalene church, Richmond and have relevant skills and experience. Recruitment is by invitation.

The following Trustees were in post for the period 1 January 2025 to the date of approval of these financial statements:

A G Saunders – Chairman (to 9 December 2025)
Mrs A Adams - Chair (from 9 December 2025, resigned 17 January 2026)
S M Brown
Mrs A M Khan
Ms R A Martin - Chair (from 26 January 2026)
Dr E L Meredith (from 19 January 2026)

Management

The day-to-day operation and administration of the Charity is carried out by a salaried Clerk to the Trustees. The Clerk has delegated authority for operational financial and investment property management matters.

The Trustees are responsible for setting the remuneration of the Clerk to the Trustees. The Clerk is not a member of the Board. No Trustees receive any remuneration for their service.

Investment policy

The policy is to sell the portfolio of residential property in Richmond as whole properties become vacant and to invest the proceeds in investment funds. The Charity does not invest directly in stocks and shares but through funds managed by discretionary investment managers. The performance of the investment portfolio is reviewed at each trustee meeting, and the investment policy is reviewed annually.

Reserves policy

It is the Charity's policy to maintain a cash balance equivalent to at least six months unrestricted expenditure and to accumulate distributions from investments to meet the annual grants made to the beneficiaries. The policy was achieved.

ADMINISTRATIVE DETAILS

TRUSTEES

S M Brown
Mrs A M Khan
Ms R A Martin
Dr E L Meredith

CLERK TO THE TRUSTEES

A E Demby

PRINCIPAL ADDRESS

59 Church Road
Richmond
Surrey
TW10 6LX

REGISTERED CHARITY NUMBER

212770

RICHMOND CHURCH CHARITY ESTATES

ANNUAL REPORT

AUDITORS

Kreston Reeves Audit LLP
2nd Floor,
168 Shoreditch High Street
London
E1 6RA

SOLICITORS

Moore Barlow LLP
Frameworks
2 Sheen Road
Richmond
Surrey
TW9 1AW

BANKERS

Lloyds Bank plc
19-20 The Quadrant
Richmond
Surrey
TW9 1BP

DISCRETIONARY INVESTMENT MANAGERS

Cazenove Capital
1 London Wall Place
London
EC2Y 5AU

Sarasin & Partners LLP
50 George Street
London
W1U 7DY

PROPERTY MANAGERS

HML LAM Ltd
9-11 The Quadrant
Richmond
Surrey
TW9 1BP

Approved by order of the Board of Trustees on 23 April 2026 and signed on its behalf by:



Ms RA Martin- Chair

RICHMOND CHURCH CHARITY ESTATES

TRUSTEES' RESPONSIBILITY STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

RICHMOND CHURCH CHARITY ESTATES

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Unrestricted fund £	Endowment funds £	2025 Total funds £	2024 Total funds £
INCOME AND ENDOWMENTS FROM					
Investment income	4	-	489,976	489,976	465,503
Total		-	489,976	489,976	465,503
EXPENDITURE ON					
Raising funds	5	-	57,388	57,388	83,029
Charitable activities					
Grants to St Mary Magdalene, Richmond	6	1,047,000	-	1,047,000	964,000
Grants to Holy Trinity, Richmond		12,000	-	12,000	20,404
Fixed annual grants		1,200	-	1,200	1,200
Other costs		-	17,269	17,269	16,287
Total		1,060,200	74,657	1,134,857	1,084,920
Net gains on investments		-	634,362	634,362	333,918
Net losses on investment properties		-	(5,500)	(5,500)	(493,500)
NET INCOME/(EXPENDITURE)		(1,060,200)	1,044,181	(16,019)	(778,999)
Transfers between funds	15	1,060,200	(1,060,200)	-	-
Net movement in funds		-	(16,019)	(16,019)	(778,999)
RECONCILIATION OF FUNDS					
Total funds brought forward		-	17,677,277	17,677,277	18,456,279
TOTAL FUNDS CARRIED FORWARD		-	17,661,258	17,661,258	17,677,277

All activities derive from continuing activities.

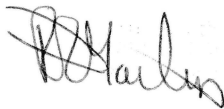
The notes form part of these financial statements

RICHMOND CHURCH CHARITY ESTATES

BALANCE SHEET 31 DECEMBER 2025

	Notes	Unrestricted fund £	Endowment funds £	2025 Total funds £	2024 Total funds £
FIXED ASSETS					
Investments					
Investments	10	-	11,144,412	11,144,412	10,868,936
Investment property	11	-	4,859,000	4,859,000	5,859,500
		-	16,003,412	16,003,412	16,728,436
CURRENT ASSETS					
Debtors	12	-	11,073	11,073	4,693
Assets held for sale		-	995,000	995,000	-
Cash at bank		-	718,769	718,842	957,396
		-	1,724,842	1,724,842	962,089
CREDITORS					
Amounts falling due within one year	13	-	(66,996)	(66,996)	(13,248)
NET CURRENT ASSETS					
		-	1,657,846	1,657,846	948,841
TOTAL ASSETS LESS CURRENT LIABILITIES					
		-	17,661,258	17,661,258	17,677,277
NET ASSETS					
		-	17,661,258	17,661,258	17,677,277
FUNDS					
Endowment funds:	14				
Unapplied Total Return				11,381,167	11,397,186
Original Gift				6,280,091	6,280,091
				17,661,258	17,677,277
TOTAL FUNDS					
				17,661,258	17,677,277

The financial statements were approved by the Board of Trustees on 26 April 2026 and were signed on its behalf by:



Ms RA Martin - Chair

The notes form part of these financial statements

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

Richmond Church Charity Estates is a charity registered with the Charity Commission.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity is a public benefit entity for the purposes of FRS 102. The Charity also prepares its financial statements in accordance with the 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.

Going Concern

The financial statements are prepared on a going concern basis, which assumes that the Charity will continue as a going concern for the foreseeable future. The Trustees have considered the Charity's forecasts and projections for a period of 12 months from the approval of the financial statements and have concluded there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing financial statements.

Income

All income is recognised in the Statement of Financial Activities once the Charity has legal entitlement to the funds, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

- i) Income from investment properties is accounted for when receivable
- ii) Income from investments is accounted for when receivable.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, 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 stated inclusive of irrecoverable VAT and is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Costs of generating funds include administration and rental income fees charged by the property manager and fees charged by the discretionary investment managers. A charge of seventy percent of the clerk's fees for time spent on administration has also been allocated.

Charitable activities include the fixed annual grants made to the churches together with grants made to St Mary Magdalene, Richmond and Holy Trinity, Richmond from the unapplied total return.

Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements. They also incorporate a thirty percent charge for the clerk's fees and other professional fees.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity.

Investment property

Investment properties are measured initially at their cost. After initial recognition, investment properties are included at their fair value. Fair value is based on market value. External professional valuations are obtained every five years. Intervening valuations are calculated by reference to recognised property value indices. Gains and losses arising on revaluation and disposal are taken to the Statement of Financial Activities.

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

2. ACCOUNTING POLICIES - continued

Fixed Asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Gains and losses arising on revaluation and disposal are taken to the Statement of Financial Activities.

The Trust does not acquire put options, derivatives or other complex financial instruments.

Fund accounting

Funds are classified between unrestricted and endowment funds.

Unrestricted funds are funds available for any purpose within the Charity's charitable objectives.

Endowment funds are those held on trust and administered by the Charity for the benefit of the Charity. The Endowment funds are divided between *permanent endowment* being the value of the original gift and *expendable endowment* being the unapplied total return. The value of the original gift must be maintained; however, each year the value of the unapplied total return to be applied is decided by the Trustees.

The income and expenses relevant to the endowment fund are charged to that fund as required by the SORP and the amount of the expendable endowment applied during the year is presented as a transfer between funds on the face of the Statement of Financial Activities and in the notes to the accounts.

3. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Charity's accounting policies, the Trustees are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The Trustees use valuations performed by independent valuers every fifth year, intervening valuations are calculated by reference to recognised property value indices, as the basis for fair value of its investment properties. Further details, including the carrying value and key assumptions used for the fair value measurement, are given in note 11.

4. INVESTMENT INCOME

	2025	2024
	£	£
Rents receivable	144,001	114,266
Dividends receivable	309,866	294,864
Interest receivable	<u>36,109</u>	<u>56,373</u>
	<u>489,976</u>	<u>465,503</u>

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

5. RAISING FUNDS

Investment management costs

	2025 £	2024 £
Repairs and maintenance	13,872	16,228
Property management fees	11,387	9,766
Property valuation and introduction fees	4,861	3,528
Clerks' fees	7,647	8,345
Property insurance	4,663	4,586
Liability insurance	1,149	984
Other expenditure	150	-
Property sale costs	-	15,354
Major repairs	6,486	24,238
Investment management fees	<u>7,173</u>	<u>-</u>
	<u>57,388</u>	<u>83,029</u>

6. CHARITABLE ACTIVITIES COSTS

	2025 £	2024 £
Grant to St Mary Magdalene, Richmond	1,047,000	964,000
Grant to Holy Trinity, Richmond	12,000	20,404
Fixed annual grants	<u>1,200</u>	<u>1,200</u>
	1,060,200	985,604
Support costs – See note 7	<u>17,269</u>	<u>16,287</u>
	<u>1,077,469</u>	<u>1,001,891</u>

7. SUPPORT COSTS

	2025 £	2024 £
Governance costs		
Auditor's remuneration (including VAT)	14,400	9,241
Clerks' fees	3,277	3,576
Property valuation fee	-	3,000
Other expenditure	<u>(408)</u>	<u>470</u>
	<u>17,269</u>	<u>16,287</u>

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

8. AUDITORS' REMUNERATION

	2025 £	2024 £
External audit fee (net of VAT)	<u>12,000</u>	<u>7,700</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

No Trustee received any remuneration for services as a Trustee for the year (2024: £nil).

No Trustee expenses were paid for the year (2024: £nil).

10. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2025	10,868,936
Purchases	10,517,236
Disposals	(11,372,276)
Cash at fund managers	496,154
Revaluation	<u>634,362</u>
At 31 December 2025	<u>11,144,412</u>
NET BOOK VALUE	
At 31 December 2025	<u>11,144,412</u>
At 31 December 2024	<u>10,868,936</u>

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

11. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2025	5,859,500
Revaluation	(5,500)
Transfer to current assets	<u>(995,000)</u>
At 31 December 2025	<u>4,859,000</u>
NET BOOK VALUE	
At 31 December 2025	<u>4,859,000</u>
At 31 December 2024	<u>5,859,500</u>

The properties are shown at their market value, and subject to existing tenancies where appropriate. The valuation policy is for investment properties to be valued by a qualified surveyor every five years. Intervening valuations are calculated by reference to recognised property value indices. The most recent external valuation was at 31 December 2024 by SRVO Property Limited, a Registered Valuer.

The Charity owns a reversionary interest in land presently occupied by the Church Estate Almshouses, Sheen Road, Richmond and owned by The Richmond Charities. If any of the almshouses cease to be used permanently as such, half the value of the land (excluding the value added by the presence of the almshouses) becomes payable to the Charity, unless the land is sold and the proceeds of sale are used to purchase replacement land for the provision of almshouses within a reasonable time.

In October 2025 one of the investment properties was put up for sale and an offer has been accepted. The sale completion took place in March 2026. The property has therefore been transferred to current assets.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Funds held by letting agents	1,000	1,000
Rental and maintenance debtors	4,380	976
Other debtors and prepayments	<u>5,693</u>	<u>2,717</u>
	<u>11,073</u>	<u>4,693</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Grant payable	50,000	-
Accrued expenses	<u>16,996</u>	<u>13,248</u>
	<u>66,996</u>	<u>13,248</u>

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

14. MOVEMENT IN FUNDS

a) Analysis of net assets by fund

At 31 December 2025				
	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	-	(1,060,200)	-	(1,060,200)
Endowment funds				
Expendable endowment	489,976	(74,657)	628,862	1,044,181
Permanent endowment	-	-	-	-
TOTAL FUNDS	<u>489,976</u>	<u>(1,134,857)</u>	<u>628,862</u>	<u>(16,019)</u>

At 31 December 2024				
	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
General fund	-	(985,604)	-	(985,604)
Endowment funds				
Expendable endowment	465,503	(99,316)	(159,582)	206,605
Permanent endowment	-	-	-	-
TOTAL FUNDS	<u>465,503</u>	<u>(1,084,920)</u>	<u>(159,582)</u>	<u>(778,999)</u>

b) Summary of fund movements

	At 1 January 2025 £	Net movement in funds £	Transfers between funds £	At 31 December 2025 £
Unrestricted funds				
General fund	-	(1,060,200)	1,060,200	-
Endowment funds				
Expendable endowment	11,397,186	1,044,181	(1,060,200)	11,431,167
Permanent endowment	<u>6,280,091</u>	-	-	<u>6,280,091</u>
	<u>17,677,277</u>	<u>(16,019)</u>	-	<u>17,661,258</u>
TOTAL FUNDS	<u>17,677,277</u>	<u>(16,019)</u>	-	<u>17,661,258</u>

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

14. MOVEMENT IN FUNDS - continued

b) Summary of fund movements (continued)

	At 1 January 2024	Net movement in funds	Transfers between funds	At 31 December 2024
	£	£	£	£
Unrestricted funds				
General fund	-	(985,604)	985,604	-
Endowment funds				
Expendable endowment	12,176,185	206,605	(985,604)	11,397,186
Permanent endowment	<u>6,280,091</u>	<u>-</u>	<u>-</u>	<u>6,280,091</u>
	<u>18,456,276</u>	<u>(778,999)</u>	<u>-</u>	<u>17,677,277</u>
TOTAL FUNDS	<u>18,456,276</u>	<u>(778,999)</u>	<u>-</u>	<u>17,677,277</u>

c) Description of funds

Unrestricted funds

General fund represents the unrestricted undesignated fund available for any of the Charity's purposes.

Endowment funds

Expendable endowment – Represents any amount above the permanent endowment set out in an Order dated 15 December 2009, whereby the Charity Commission consented to the Charity adopting the Total Return from assets of the Charity. The balance, the Unapplied Total Return, can be retained or distributed as the Trustees see fit.

Permanent endowment - By an Order dated 15 December 2009, the Charity Commission consented to the Charity adopting the Total Return approach for investments. The effect of the Order is that an amount of £6,280,091 was set aside as the value of the Original Gift and must be retained as permanent endowment.

15. RELATED PARTY DISCLOSURES

During the year grants totalling £998,100 (2024: £965,100) were paid and £50,000 (2024- £nil) were payable to Richmond Team Ministry, a Registered Charity (No. 1130018).

Ms RA Martin, Trustee, was a member of the Parochial Church Council of Richmond Team Ministry throughout the year. SM Brown, Trustee, was a member of the Parochial Church Council of Richmond Team Ministry until 18 May 2025.

16. POST BALANCE SHEET EVENT

In March 2026 the sale of the property reclassified as an asset held for sale completed at its carrying value.

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

17. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITY

	Unrestricted funds £	Endowment funds £	Total funds 2024 £
INCOME FROM			
Investment income	-	465,503	465,503
Total	-	465,503	465,503
EXPENDITURE ON			
Raising funds	-	83,029	83,029
Charitable activities			
Grants to St Mary Magdalene, Richmond	964,000	-	964,000
Grants to Holy Trinity, Richmond	20,404	-	20,404
Fixed annual grants	1,200	-	1,200
Other costs	-	16,287	16,287
Total	985,604	99,316	1,084,920
Net gains on investments	-	333,918	333,918
Net losses on investment properties	-	(493,500)	(493,500)
NET INCOME/(EXPENDITURE)			
Transfers between funds	(985,604)	206,605	(778,999)
	985,604	(985,604)	-
Net movement in funds	-	(778,999)	(778,999)
RECONCILIATION OF FUNDS			
Total funds brought forward	-	18,456,276	18,456,276
TOTAL FUNDS CARRIED FORWARD	-	17,677,277	17,677,277

RICHMOND CHURCH CHARITY ESTATES

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF RICHMOND CHURCH CHARITY ESTATES

Opinion

We have audited the financial statements of Richmond Church Charity Estates (the 'Charity') for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards 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.

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.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 charity'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.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

RICHMOND CHURCH CHARITY ESTATES

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF RICHMOND CHURCH CHARITY ESTATES

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

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

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investment properties. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Obtaining the trustees' valuation for the investment properties and assessing the assumptions used to ensure the valuations are not overstated; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and

RICHMOND CHURCH CHARITY ESTATES

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF RICHMOND CHURCH CHARITY ESTATES

- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance;

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude 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 scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves Audit LLP

Kreston Reeves Audit LLP
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
2nd Floor
168 Shoreditch High Street
London
E1 6RA

Date: 30 April 2026

RICHMOND CHURCH CHARITY ESTATES

England & Wales - Charity number 212770

Accounts

	RICHMOND CHURCH CHARITY ESTATES	
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RICHMOND CHURCH CHARITY ESTATES

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The Trustees present their report with the financial statements of the Charity for the year ended 31 December 2024.

Charitable objectives

The principal object of the Charity is to apply its income for any religious purposes of Richmond Parish Church (St Mary Magdalene) including repairs to, improvements of, or additions to the Church and its precincts, and the maintenance of the services therein or connected therewith.

The Trustees are required to:

1) Make the following fixed annual appropriations amounting in total to £1,200:

Richmond Parish Church	- £700
The Vicarage of the Parish Church of Richmond	- £100
St John the Divine Church, Richmond	- £200
St Matthias Church, Richmond	- £100
Holy Trinity Church, Richmond	- £100

Any funds available for distribution are to be applied towards any religious purposes connected with the Parish Church of Richmond, or the building of a fund for extraordinary repairs to the same, or any serious emergency affecting the other churches named above.

2) Prepare annual financial statements reflecting in full the activities of the Charity.

Following a Pastoral Reorganisation in 1995, Richmond Parish Church (St Mary Magdalene) combined with St John the Divine and St Matthias to form Richmond Team Ministry. Richmond Team Ministry is used in this Annual Report to denote Richmond Parish Church except where otherwise stated.

The Charity was established by an Act of Parliament of 1828 although its origins are believed to date to a grant of land made by the Merton Priory in 1375.

Total Return Approach

By an Order dated 15 December 2009 the Charity Commission consented to the Charity adopting the Total Return approach, enabling the Trustees of the Charity to decide which part (if any) of the unapplied total return from the assets of the Charity shall be distributed. The effect of the Order is that the Trustees have discretion to distribute any amount up to the total value of the unapplied total return in furtherance of the objectives of the Charity, or to retain the whole of the unapplied total return (i.e., to make no distribution).

The Trustees have determined that, in the exercise of this power, the guiding principle to be observed is to maintain the purchasing power of the permanent endowment.

The Trustees review the distribution rate on a triennial basis. In April 2024 an increase in the rate to 2.75% from 2.5%, using the existing methodology of the moving average of total funds of the Charity for the audited financial statements in the three immediately preceding years, was approved. The new rate is applicable for distributions in each of the three financial years from 31 December 2024.

The Financial Investments were administered and managed by the Trustees.

Public benefit

The Trustees confirm that they have referred to the guidance on Public Benefit issued by the Charity Commission and consider that the Charity's stated objectives meet the test of being for the public benefit. None of the Trustees receive any private benefit from the activities of the Charity.

ACHIEVEMENT AND PERFORMANCE

Activities during the year

It is a pleasure to report again that the Richmond Church Charity Estates last year delivered on its key objective of providing funding for the fabric and repair of Richmond Parish Church. The total grant for 2024 was £ 465,200, an increase over the previous year together with the first tranche of £500,000 to support the Parish Rooms project. We were also pleased to grant £20,404 to Holy Trinity, Richmond for emergency building work, in line with our charitable objectives. We sold one of our residential properties, 44 St Mary's Grove, for £1,075,000 and £875,000 of that has been reinvested in our investment portfolio over three quarters.

Our total income rose modestly to £465,503 and expenditure fell back to £96,316 as repairs on our property portfolio reduced. As in the previous year, a fall in property income was offset by a rise in investment income and interest receivable due to higher deposit rates. Income from investments rose by some 11%, partly reflecting the increased allocation of funds whereas property income fell by a similar amount reflecting the sale of one property. Because of our adoption of a Total Return approach to distributions, we are able to pay out from capital if our combined income is insufficient to meet our distribution target of 2.75% of total capital, a target raised from the previous 2.5%.

Excluding significant cash reserves, that capital is now split between approximately 65% investments, held in a variety of investment funds and 35% residential property. The cash reserves figure remains high pending further distributions. As we have stated before, it is our intention over time to sell down the property portfolio and reinvest in investment funds. We are flexible in pursuit of this longer-term target.

Our investment portfolio recovered strongly last year last year. We benefit from a very well diversified portfolio both in terms of asset allocation and in terms of fund managers. We are not nearly so dependent on the underperforming UK stock market as many charities, with only 20% in UK equities compared to 50% in overseas equities, the rest in bonds, property and alternatives. Trustees have made the decision however to change the basis of managing the portfolio going forward by appointing one or two discretionary portfolio managers to take over the management of our assets following our existing investment guidelines. This should provide a more sustainable long-term stewardship than our current practice of selecting funds ourselves. A beauty parade will take place in March 2025 leading to appointment.

The governance of charities continues to be under some scrutiny, but I still believe we remain in a good place in this respect. Good governance requires good trustees. I am delighted that Amanda Adams joined as a trustee last year as we say farewell to Charles Stiller who has stood down as a trustee. As ever, we continue to be well served by our Clerk, Tony Demby who is diligent in his stewardship of our portfolio. I believe we can continue to view the future with some confidence.

FINANCIAL REVIEW

Net expenditure for the year was £778,999 (2023 - £358,558 net income). The reduction is the result of additional grants of £526,404 made to the beneficiaries and unrealised losses on the property portfolio.

Total income for the year of £465,503 was principally due to the increase in distributions on financial assets from increased fund holdings following the sale of a property.

Income from investment funds rose by 10.8% to £294,864 (2023: £266,203) due additions to fund holdings following the sale of a property in April 2024. Investments with a value greater than 5% of the portfolio at 31 December 2024 were:

- COIF Charities Investment Fund
- COIF Charities Global Equity Fund
- JP Morgan Emerging Markets Fund
- M&G Charibond
- M&G Charifund
- Newton Growth and Income Fund for Charities
- WS Ruffer Absolute Return Fund

Property income for the year of £114,266 (2023: £129,518) was 11.8% lower due to the full year impact of income foregone on the property sold in April 2024.

Net unrealised losses on investments were £159,582 (2023 - £487,694 unrealised gain). The gains on the investment portfolio of £333,918 (2023 - £511,694) reflected increased investor confidence following elections in the USA and expectations that interest rates will fall in 2025. This was offset by the unrealised loss on the property portfolio of £493,500 (2023 - £24,000). It is the result of an external valuation carried out at year end in accordance with the stated valuation policy of the Charity.

Cash deposits held in a money market fund generated interest income of £56,373 (2023: £58,529), was 3.7% lower due to the payment of additional grants of £520,404 which had the effect of reducing the average funds held on deposit. In addition, interest rates started to fall in Q4 2024 which had a further adverse effect.

Grants made of £985,604 include additional grants of £520,404 comprising £500,000 to the PCC of Richmond being the first tranche of the grant for the redevelopment of the Parish Rooms and £20,404 being a grant for emergency building works to Holy Trinity, Richmond. Excluding these amounts, the regular grants given were £465,200 (2023: £459,200), an increase of 1.3%.

FUTURE PLANS

The Trustees aim to maintain the fabric of the investment properties by carrying out programmed maintenance and other repairs as required until whole properties become vacant when they will be sold, and the proceeds invested into investment funds.

RISK MANAGEMENT

The Trustees consider, evaluate, and record the major risks to which the Charity is exposed, assessing both the likelihood and impact of those risks being realised, together the measures in place to manage and mitigate such risks on an annual basis. The results are recorded in the Risk Register. The risks with the highest assessment (considering both impact and likelihood) are shown below, together with actions and mitigations:

Description	Mitigation/Action
Loss of key staff	The Clerk to the Trustees is the only employee. A procedures manual has been prepared. The Clerk meets regularly with the Chairman.
Investment risk	The Charity is invested in a diversified portfolio of financial funds and residential investment properties in Richmond. The Charity has an Investment Policy which is reviewed annually. The portfolio is monitored against the Investment Policy and is rebalanced accordingly.
Sufficient cash to make grants	The Charity holds cash equivalent to the annual grants awarded and six months of other expenditure to avoid realising assets during a period of sudden decline in financial markets. Financial funds are income generating and the yield on the funds is reviewed by the Trustees annually.
Changes to property tenant rights	The residential investment properties are let as Assured Shorthold Tenancies or as Regulated tenancies. Management of the properties is delegated to a property management company who are responsible for revising the tenancy agreements when legislative changes are made.
Changes to landlord requirements for property	The residential investment properties are subject to regular inspections in accordance with regulatory requirements. Management of the properties is delegated to a property management company who are responsible for compliance with regulatory requirements.

RICHMOND CHURCH CHARITY ESTATES

ANNUAL REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Richmond Church Charity Estates is a registered charity (No 212770). The principal governing documents are an Act of Parliament of 1828, parts only of which still apply, and a Charity Commission Scheme dated 27 May 2004.

Governance

The Trustees have ultimate responsibility for all aspects of the Charity's work, in particular determining the strategy and direction, monitoring progress in relation to strategic objectives and the performance of the organisation.

The Charity's constitution provides that the number of Trustees shall be not more than seven, nor less than three. The Trustees meet at least twice a year. Trustees can serve for a maximum of two consecutive terms of four years each. The Chairman can serve an additional two years beyond the end of his or her the second term. Trustees will usually be individuals with some involvement with one of the churches within the PCC of Richmond and have relevant skills and experience. Recruitment is by invitation.

The following Trustees were in post for the period 1 January 2024 to the date of approval of these financial statements:

A G Saunders – Chairman
Mrs A Adams (from 17 April 2024)
S M Brown
Mrs A M Khan
Ms R A Martin
J C Stiller (to 5 April 2024)

Management

The day-to-day operation and administration of the Charity is carried out by a salaried Clerk to the Trustees. The Clerk has delegated authority for operational financial and investment property management matters.

The Trustees are responsible for setting the remuneration of the Clerk to the Trustees. The Clerk is not a member of the Board. No Trustees receive any remuneration for their service.

Investment policy

The policy is to sell the portfolio of residential property in Richmond as whole properties become vacant and to invest the proceeds in investment funds. The Charity does not invest directly in stocks and shares but through a diversified portfolio of investment funds managed by several different investment managers. The performance of the investment portfolio is reviewed at each trustee meeting and the investment policy is reviewed annually.

Reserves policy

It is the Charity's policy to maintain a cash balance equivalent to at least six months unrestricted expenditure including any distributions due to the beneficiaries. The policy was achieved.

ANNUAL REPORT

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

ADMINISTRATIVE DETAILS

TRUSTEES

A G Saunders - Chairman
Mrs A Adams
S M Brown
Mrs A M Khan
Ms R A Martin

CLERK TO THE TRUSTEES

A E Demby

PRINCIPAL ADDRESS

59 Church Road
Richmond
Surrey
TW10 6LX

REGISTERED CHARITY NUMBER

212770

AUDITORS

Kreston Reeves LLP
2nd Floor,
168 Shoreditch High Street
London
E1 6RA

SOLICITORS

Moore Barlow LLP
Frameworks
2 Sheen Road
Richmond
Surrey
TW9 1AW

BANKERS

Lloyds Bank plc
19-20 The Quadrant
Richmond
Surrey
TW9 1BP

PROPERTY MANAGERS

HML LAM Ltd
9-11 The Quadrant
Richmond
Surrey
TW9 1BP

Approved by order of the Board of Trustees on 1 May 2025 and signed on its behalf by:



A G Saunders - Chairman

RICHMOND CHURCH CHARITY ESTATES

TRUSTEES' RESPONSIBILITY STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Opinion

We have audited the financial statements of Richmond Church Charity Estates (the 'Charity') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 charity'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.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

RICHMOND CHURCH CHARITY ESTATES

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF RICHMOND CHURCH CHARITY ESTATES

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

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

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and industry, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investment properties. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Obtaining the trustees' valuation for the investment properties and assessing the assumptions used to ensure the valuations are not overstated; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance;

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
RICHMOND CHURCH CHARITY ESTATES**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude 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 scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees and the trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Kreston Reeves LLP
Statutory Auditors
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
2nd Floor
168 Shoreditch High Street
London
E1 6RA

Date: 6 May 2025

RICHMOND CHURCH CHARITY ESTATES

RICHMOND CHURCH CHARITY ESTATES

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024**

RICHMOND CHURCH CHARITY ESTATES

	Notes	Unrestricted fund £	Endowment funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Investment income	4	-	465,503	465,503	454,250
Total		-	465,503	465,503	454,250
EXPENDITURE ON					
Raising funds	5	-	83,029	83,029	112,120
Charitable activities	6				
Distributions to Richmond Team Ministry		964,000	-	964,000	458,000
Distributions to Holy Trinity, Richmond		20,404	-	20,404	-
Fixed annual appropriations		1,200	-	1,200	1,200
Other costs		-	16,287	16,287	12,066
Total		985,604	99,316	1,084,920	583,386
Net gains on investments		-	333,918	333,918	511,694
Net losses on investment properties		-	(493,500)	(493,500)	(24,000)
NET (EXPENDITURE)/INCOME		(985,604)	206,605	(778,999)	358,558
Transfers between funds	15	985,604	(985,604)	-	-
Net movement in funds		-	(778,999)	(778,999)	358,558
RECONCILIATION OF FUNDS					
Total funds brought forward		-	18,456,276	18,456,276	18,097,918
TOTAL FUNDS CARRIED FORWARD		-	<u>17,677,277</u>	<u>17,677,277</u>	<u>18,456,276</u>

All activities derive from continuing activities.

The notes form part of these financial statements

RICHMOND CHURCH CHARITY ESTATES


RICHMOND CHURCH CHARITY ESTATES

**BALANCE SHEET
31 DECEMBER 2024**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted fund £	Endowment funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Investments					
Investments	10	-	10,868,936	10,868,936	9,660,018
Investment property	11	-	5,859,500	5,859,500	7,428,000
			16,728,436	16,728,436	17,088,018
CURRENT ASSETS					
Debtors	12	-	4,693	4,693	53,789
Cash at bank		-	957,396	957,396	1,323,169
			962,089	962,089	1,376,958
CREDITORS					
Amounts falling due within one year	13	-	(13,248)	(13,248)	(8,700)
			948,841	948,841	1,368,258
NET CURRENT ASSETS					
		-	17,677,277	17,677,277	18,456,276
TOTAL ASSETS LESS CURRENT LIABILITIES					
		-	17,677,277	17,677,277	18,456,276
NET ASSETS					
FUNDS					
Endowment funds:	14				
Unapplied Total Return				11,397,186	12,176,185
Original Gift				6,280,091	6,280,091
				17,677,277	18,456,276
TOTAL FUNDS					
				17,677,277	18,456,276

The financial statements were approved by the Board of Trustees on 1 May 2025 and were signed on its behalf by:


A G Saunders - Chairman

The notes form part of these financial statements

1. GENERAL INFORMATION

Richmond Church Charity Estates is a charity registered with the Charity Commission.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity is a public benefit entity for the purposes of FRS 102. The Charity also prepares its financial statements in accordance with the 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.

Going Concern

The financial statements are prepared on a going concern basis, which assumes that the Charity will continue as a going concern for the foreseeable future. The Trustees have considered the Charity's forecasts and projections for a period of 12 months from the approval of the financial statements and have concluded there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing financial statements.

Income

All income is recognised in the Statement of Financial Activities once the Charity has legal entitlement to the funds, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

- i) Income from investment properties is accounted for when receivable
- ii) Income from investments is accounted for when receivable.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, 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 stated inclusive of irrecoverable VAT and is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Costs of generating funds include the cost incurred in the administration of the rental properties and collection of rental income charged by the management company. A charge of seventy percent of the clerk's fees for time spent on administration has also been allocated.

Charitable activities include the fixed annual grants made to the churches together with grants made to Richmond Team Ministry and Holy Trinity, Richmond from the unapplied total return.

Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements. They also incorporate a thirty percent charge for the clerk's fees and other professional fees.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity.

Investment property

Investment properties are measured initially at their cost. After initial recognition, investment properties are included at their fair value. Fair value is based on market value. External professional valuations are obtained every five years. Intervening valuations are calculated by reference to recognised property value indices. Gains and losses arising on revaluation and disposal are taken to the Statement of Financial Activities.

2. ACCOUNTING POLICIES - continued

Fixed Asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Gains and losses arising on revaluation and disposal are taken to the Statement of Financial Activities.

The Trust does not acquire put options, derivatives or other complex financial instruments.

Fund accounting

Funds are classified between unrestricted and endowment funds.

Unrestricted funds are funds available for any purpose within the Charity's charitable objectives.

Endowment funds are those held on trust and administered by the Charity for the benefit of the Charity. The Endowment funds are divided between *permanent endowment* being the value of the original gift and *expendable endowment* being the unapplied total return. The value of the original gift must be maintained; however, each year the value of the unapplied total return to be applied is decided by the Trustees.

The income and expenses relevant to the endowment fund are charged to that fund as required by the SORP and the amount of the expendable endowment applied during the year is presented as a transfer between funds on the face of the Statement of Financial Activities and in the notes to the accounts.

3. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Charity's accounting policies, the Trustees are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The Trustees use valuations performed by independent valuers every fifth year, intervening valuations are calculated by reference to recognised property value indices, as the basis for fair value of its investment properties. Further details, including the carrying value and key assumptions used for the fair value measurement, are given in note 11.

4. INVESTMENT INCOME

	2024	2023
	£	£
Rents receivable	114,266	129,518
Dividends receivable	294,864	266,203
Interest receivable	<u>56,373</u>	<u>58,529</u>
	<u>465,503</u>	<u>454,250</u>

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5. RAISING FUNDS

Investment management costs

	2024	2023
	£	£
Repairs and maintenance	16,228	14,616
Property management fees	9,766	10,425
Property valuation and introduction fees	3,528	2,520
Clerks' fees	8,345	7,856
Property insurance	4,586	4,803
Liability insurance	984	977
Other expenditure	-	996
Property sale costs	15,354	-
Major repairs	<u>24,238</u>	<u>69,907</u>
	<u>83,029</u>	<u>112,120</u>

6. CHARITABLE ACTIVITIES COSTS

	2024	2023
	£	£
Grant to Richmond Team Ministry	964,000	458,000
Grant to Holy Trinity, Richmond	20,404	-
Fixed annual grants	<u>1,200</u>	<u>1,200</u>
	985,604	459,200
Support costs – See note 7	13,287	12,066
	<u>998,891</u>	<u>471,266</u>

7. SUPPORT COSTS

	2024	2023
	£	£
Governance costs		
Auditor's remuneration (including VAT)	9,241	8,700
Clerks' fees	3,576	3,366
Property valuation fee	3,000	-
Other expenditure	<u>470</u>	<u>-</u>
	<u>16,287</u>	<u>12,066</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

8. AUDITORS' REMUNERATION

	2024	2023
	£	£
External audit fee (net of VAT)	<u>7,700</u>	<u>7,250</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

No Trustee received any remuneration for services as a Trustee for the year (2023: £nil).

No Trustee expenses were paid for the year (2023: £nil).

10. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2024	9,660,018
Purchases	875,000
Revaluation	<u>333,918</u>
At 31 December 2024	<u>10,868,936</u>
NET BOOK VALUE	
At 31 December 2024	<u>10,868,936</u>
At 31 December 2023	<u>9,660,018</u>

There were no investment assets outside the UK. The listed investments are not administered by the Trustees, are stated at the bid price.

RICHMOND CHURCH CHARITY ESTATES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

11. INVESTMENT PROPERTY

FAIR VALUE

	£
At 1 January 2024	7,428,000
Disposal	(1,075,000)
Revaluation	<u>(493,500)</u>
At 31 December 2024	<u>5,859,500</u>
NET BOOK VALUE	
At 31 December 2024	<u>5,859,500</u>
At 31 December 2023	<u>7,428,000</u>

The properties are shown at their market value, and subject to existing tenancies where appropriate. The valuation policy is for investment properties to be valued by a qualified surveyor every five years. Intervening valuations are calculated by reference to recognised property value indices. The most recent external valuation was at 31 December 2024 by SRVO Property Limited, a Registered Valuer.

The Charity owns a reversionary interest in land presently occupied by the Church Estate Almshouses, Sheen Road, Richmond and owned by The Richmond Charities. If any of the almshouses cease to be used permanently as such, half the value of the land (excluding the value added by the presence of the almshouses) becomes payable to the Charity, unless the land is sold and the proceeds of sale are used to purchase replacement land for the provision of almshouses within a reasonable time.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Funds held by letting agents	1,000	1,000
Rental and maintenance debtors	976	976
Other debtors and prepayments	<u>2,717</u>	<u>51,813</u>
	<u>4,693</u>	<u>53,789</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Accrued expenses	<u>13,248</u>	<u>8,700</u>

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

16. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITY

	Unrestricted funds £	Endowment funds £	Total funds 2023 £
INCOME FROM			
Investment income	-	454,250	454,250
Total	-	454,250	454,250
EXPENDITURE ON			
Raising funds	-	112,120	112,120
Charitable activities			
Distributions to Richmond Team Ministry	458,000	-	458,000
Fixed annual appropriations	1,200	-	1,200
Other costs	-	12,066	12,066
Total	459,200	124,186	583,386
Net gains on investments	-	511,694	511,694
Net losses on investment properties	-	(24,000)	(24,000)
NET INCOME/(EXPENDITURE)	(459,200)	817,758	358,558
Transfers between funds	459,200	(459,200)	-
Net movement in funds	-	358,558	358,558
RECONCILIATION OF FUNDS			
Total funds brought forward	-	18,097,718	18,097,918
TOTAL FUNDS CARRIED FORWARD	-	18,456,276	18,456,276

RICHMOND CHURCH CHARITY ESTATES

England & Wales - Charity number 212770

Accounts

REGISTERED CHARITY NUMBER: 212770

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
FOR
RICHMOND CHURCH CHARITY ESTATES**

RICHMOND CHURCH CHARITY ESTATES

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FOR THE YEAR ENDED 31 DECEMBER 2023**

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RICHMOND CHURCH CHARITY ESTATES

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2023

TRUSTEES AG Saunders - Chairman
S M Brown
Mrs AM Khan
Ms RA Martin
JC Stiller

PRINCIPAL ADDRESS 59 Church Road
Richmond
Surrey
TW10 6LX

REGISTERED CHARITY NUMBER 212770

AUDITORS Kreston Reeves LLP
2nd Floor,
168 Shoreditch High Street
London
E1 6RA

SOLICITORS Moore Barlow LLP
Frameworks
2 Sheen Road
Richmond
Surrey
TW9 1AW

BANKERS Lloyds Bank plc
19-20 The Quadrant
Richmond
Surrey
TW9 1BP

PROPERTY MANAGERS HML LAM Ltd
9-11 The Quadrant
Richmond
Surrey
TW9 1BP

RICHMOND CHURCH CHARITY ESTATES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2023.

LEGAL OBJECTS

Objectives

The principal object of the Charity is to apply its income for any religious purposes of Richmond Parish Church (St Mary Magdalene) including repairs to, improvements of, or additions to the Church and its precincts, and the maintenance of the services therein or connected therewith.

The Trustees are required to:

1) Make the following fixed annual appropriations amounting in total to £1,200:

Richmond Parish Church	- £700
The Vicarage of the Parish Church of Richmond	- £100
St John the Divine Church, Richmond	- £200
Holy Trinity Church, Richmond	- £100
St Matthias Church, Richmond	- £100

Any funds available for distribution are to be applied towards any religious purposes connected with the Parish Church of Richmond, or the building of a fund for extraordinary repairs to the same, or any serious emergency affecting the other churches named above.

2) Prepare annual financial statements reflecting in full the activities of the Charity.

Total Return Approach

By an Order dated 15 December 2009 the Charity Commission consented to the Charity adopting the Total Return approach, enabling the Trustees of the charity to decide which part (if any) of the unapplied total return from the assets of the charity shall be distributed. The effect of the Order is that the Trustees have discretion to distribute any amount up to the total value of the unapplied total return in furtherance of the objectives of the Charity, or to retain the whole of the unapplied total return (i.e., to make no distribution).

The Trustees have determined that, in the exercise of this power, the guiding principle to be observed is to maintain the purchasing power of the permanent endowment.

During 2021 the Trustees reviewed their policy, regarding the exercise of this power and increased the distribution rate to 2.5% from 2% using the existing methodology of the moving average of total funds of the Charity for the audited financial statements in the three immediately preceding years. This policy will be applied to distributions in each of the three years to 31 December 2023, after which the policy will be reviewed again.

The Financial Investments were administered and managed by the Trustees.

Public benefit

The Trustees confirm that they have referred to the guidance on Public Benefit issued by the Charity Commission and consider that the Charity's stated objectives meet the test of being for the public benefit. None of the Trustees receive any private benefit from the activities of the Charity.

Funds available for distribution must be applied for religious purposes of Richmond Parish Church (unless there should be a call upon funds by any of the other churches named above) both Richmond Parish Church (as part of the Parochial Church Council of the Ecclesiastical Parish of St Mary Magdalene, Richmond with St Matthias and St John the Divine ('the PCC of Richmond')) and Holy Trinity Church (the Parochial Church Council of the Ecclesiastical Parish of Holy Trinity and Christ Church, Richmond Surrey) are registered charities (numbers 1130018 and 1129640 respectively).

RICHMOND CHURCH CHARITY ESTATES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

ACHIEVEMENT AND PERFORMANCE

Activities during the year

It is a pleasure to report again that the Richmond Church Charity Estates last year delivered on its key objective of providing funding for the fabric and repair of Richmond Parish Church. The total grant for 2023 was £459,200, a slight increase over the previous year.

Our total income rose by some 13% to £454,250 but expenditure rose significantly to £112,120 due to major repairs on our property portfolio. As in the previous year, a fall in property income was offset by a rise in investment income and interest receivable due to higher deposit rates. Because of our adoption of a Total Return approach to distributions, we are able to pay out from capital if our combined income is insufficient to meet our distribution target of 2.5% of total capital.

Excluding significant cash reserves, that capital is still split between approximately 55% investments, held in a variety of investment funds and 45% residential property. The cash reserves figure is high pending distributions described below. As we have stated before, it is our intention over time to sell down the property portfolio and reinvest in investment funds. No property was sold last year but one potential sale has been carried forward into 2024. We are flexible in pursuit of this longer term target. One property has been let at below market rent to the new church childrens worker.

Our investment portfolio recovered somewhat last year last year, after falling the year before. We benefit from a very well diversified portfolio both in terms of asset allocation and in terms of fund managers. We are not nearly so dependent on the underperforming UK stock market as many charities, with only 20% in UK equities compared to 50% in overseas equities, the rest in bonds, property and alternatives.

The Charity remains in a strong financial position. Cash balances stand at £1,376,958. We have earmarked £1mn for the Parish Church, over and above our normal distribution, to help fund the redevelopment of the Parish Rooms, to be paid in two stages, the first being when planning permission is obtained but this continues to be subject to some delay.

The governance of charities continues to be under some scrutiny recently, but I believe we remain in a good place in this respect. Good governance requires good trustees. I would like to pay tribute to Robert Dowler who stood down last year after many years service. I am delighted that the retiring Secretary of the diocese, Ruth Martin, has agreed to join us as a Trustee. We continue to be well served by our Clerk, Tony Demby who is diligent in his stewardship of our portfolio. I believe we can continue to view the future with some confidence.

FINANCIAL REVIEW

Financial performance

Net income for the year was £358,558 (2022 - £1,034,098 net expenditure). The increase is the result of revaluation gains on the investment funds portfolio.

Total income for the year of £454,250 was principally due to the increase in interest income on monies held on deposit (2022: £399,503).

Income from investment funds rose by 9.1% to £266,203 (2022: £254,226) due the full year benefit of funds invested following the sale of a property in August 2022. Investments with a value greater than 5% of the portfolio at 31 December 2023 were:

COIF Charities Investment Fund
COIF Charities Global Equity Fund
JP Morgan Emerging Markets Fund
M&G Charibond
M&G Charifund
Newton Growth and Income Fund for Charities
WS Ruffer Absolute Return Fund

RICHMOND CHURCH CHARITY ESTATES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL REVIEW (continued)

Financial performance (continued)

Property income for the year was £129,518 (2022: £145,277) a fall of 10.9% following the decision to put an investment property up for sale during the year.

Net unrealised gains on investments were £487,694 (2022 - £906,094 loss). The investment portfolio recovered strongly during the year as fears of recession following multiple interest rate increases did not materialise and markets in the final quarter of the year markets began to anticipate rate reductions. The property portfolio generated a small loss as the increase in interest rates fed through to mortgage rates which dampened demand for property.

Cash deposits held in a money market fund benefited from the rise in interest rates generating interest income of £58,529 (2022: £10,312), an increase of 567%.

Grants made increased by 2.7% to £459,200 (2022: £447,200).

Investment policy

The policy is to sell the portfolio of residential property in Richmond as whole properties become vacant and to invest the proceeds in investment funds. The Charity does not invest directly in stocks and shares but through a diversified portfolio of investment funds managed by several different investment managers. The performance of the investment portfolio is reviewed at each trustee meeting and the investment policy is reviewed annually.

Reserves policy

It is the Charity's policy to maintain a cash balance equivalent to at least six months unrestricted payments including any distribution due to the PCC of Richmond.

FUTURE PLANS

The Trustees aim to maintain the fabric of the investment properties by carrying out programmed maintenance and other repairs as required until whole properties become vacant when they will be sold, and the proceeds invested in financial funds.

STRUCTURE AND GOVERNANCE

The Richmond Church Charity Estates is a registered charity (No 212770). The principal governing documents are an Act of Parliament of 1828, parts only of which still apply, and a Charity Commission Scheme dated 27 May 2004.

The Trustees have ultimate responsibility for all aspects of the Charity's work, in particular determining the strategy and direction, monitoring progress in relation to strategic objectives and the performance of the organisation.

The Charity's constitution provides that the number of Trustees shall be not more than seven, nor less than three. The Trustees meet at least twice a year. Trustees can serve for a maximum of two consecutive terms of four years each. The Chairman can serve an additional two years beyond the end of his or her the second term. Trustees will usually be individuals with some involvement with one of the churches within the PCC of Richmond and have relevant skills and experience. Recruitment by invitation.

The day-to-day operation and administration of the Charity is carried out by a salaried Clerk to the Trustees. The Clerk has delegated authority for operational financial and investment property management matters.

The Trustees are responsible for setting the remuneration of the Clerk to the Trustees. The Clerk is not a member of the Board. No Trustees receive any remuneration for their service.

RICHMOND CHURCH CHARITY ESTATES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

TRUSTEES

The following Trustees were in post for the period 1 January 2023 to the date of approval of these financial statements:

A G Saunders – Chairman
S M Brown
R H Dowler (to 27 October 2023)
Mrs A M Khan
Ms R A Martin (from 7 November 2023)
J C Stiller

RISK MANAGEMENT

The Trustees consider, evaluate, and record the major risks to which the Charity is exposed, assessing both the likelihood and impact of those risks being realised, together the measures in place to manage and mitigate such risks on an annual basis. The results are recorded in the Risk Register. The risks with the highest assessment (considering both impact and likelihood) are shown below, together with actions and mitigations:

Description	Mitigation/Action
Loss of key staff	The Clerk to the Trustees is the only employee. A procedures manual has been prepared. The Clerk meets regularly with the Chairman.
Investment risk	The Charity is invested in a diversified portfolio of financial funds and residential investment properties in Richmond. The Charity has an Investment Policy which is reviewed annually. The portfolio is monitored against the Investment Policy and is rebalanced accordingly.
Sufficient cash to make grants	The Charity holds cash equivalent to the annual grants awarded and six months of other expenditure to avoid realising assets during a period of sudden decline in financial markets. Financial funds are income generating and the yield on the funds is reviewed by the Trustees annually.
Changes to property tenant rights	The residential investment properties are let as Assured Shorthold Tenancies or as Regulated tenancies. Management of the properties is delegated to a property management company who are responsible for revising the tenancy agreements when legislative changes are made.
Changes to landlord requirements for property	The residential investment properties are subject to regular inspections in accordance with regulatory requirements. Management of the properties is delegated to a property management company who are responsible for compliance with regulatory requirements.

Approved by order of the Board of Trustees on 17 April 2024 and signed on its behalf by:



A G Saunders - Chairman

RICHMOND CHURCH CHARITY ESTATES

TRUSTEES' RESPONSIBILITY STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF RICHMOND CHURCH CHARITY ESTATES

Opinion

We have audited the financial statements of Richmond Church Charity Estates (the 'Charity') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 charity'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.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF RICHMOND CHURCH CHARITY ESTATES

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

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

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and industry, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investment properties. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Obtaining the trustees' valuation for the investment properties and assessing the assumptions used to ensure the valuations are not overstated; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance;

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF RICHMOND CHURCH CHARITY ESTATES

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

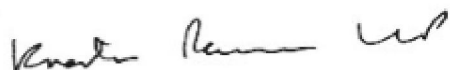
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude 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 scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees and the trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP
Statutory Auditors
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
2nd Floor
168 Shoreditch High Street
London
E1 6RA

Date: 23 April 2024

RICHMOND CHURCH CHARITY ESTATES

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted fund £	Endowment funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Investment income	4	-	454,250	454,250	399,503
Total		-	454,250	454,250	399,503
EXPENDITURE ON					
Raising funds	5	-	112,120	112,120	69,412
Charitable activities					
Distributions to PCC of Richmond	6	458,000	-	458,000	446,000
Fixed annual appropriations		1,200	-	1,200	1,200
Other costs		-	12,066	12,066	10,995
Total		459,200	124,186	583,386	527,607
Net gains/(losses) on investments		-	511,694	511,694	(1,012,186)
Net (losses)/gains on investment properties		-	(24,000)	(24,000)	106,092
NET INCOME/(EXPENDITURE)		(459,200)	817,758	358,558	(1,034,198)
Transfers between funds	15	459,200	(459,200)	-	-
Net movement in funds		-	358,558	358,558	(1,034,198)
RECONCILIATION OF FUNDS					
Total funds brought forward		-	18,097,718	18,097,916	19,131,916
TOTAL FUNDS CARRIED FORWARD		-	18,456,276	18,456,276	18,097,718

All activities derive from continuing activities.

The notes form part of these financial statements

RICHMOND CHURCH CHARITY ESTATES

BALANCE SHEET 31 DECEMBER 2023

	Notes	Unrestricted fund £	Endowment funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Investments					
Investments	10	-	9,660,018	9,660,018	9,073,324
Investment property	11	-	7,428,000	7,428,000	7,452,000
		-	17,088,018	17,088,018	16,525,324
CURRENT ASSETS					
Debtors	12	-	53,789	53,789	5,726
Cash at bank		-	1,323,169	1,323,169	1,574,467
		-	1,376,958	1,376,958	1,580,193
CREDITORS					
Amounts falling due within one year	13	-	(8,700)	(8,700)	(7,800)
NET CURRENT ASSETS		-	1,368,258	1,368,258	1,572,393
TOTAL ASSETS LESS CURRENT LIABILITIES		-	18,456,276	18,456,276	18,097,718
NET ASSETS		-	18,456,276	18,456,276	18,097,718
FUNDS					
	14				
Endowment funds:					
Unapplied Total Return				12,176,185	11,817,627
Original Gift				6,280,091	6,280,091
				18,456,276	18,097,718
TOTAL FUNDS				18,456,276	18,097,718

The financial statements were approved by the Board of Trustees on 17 April 2024 and were signed on its behalf by:

A G Saunders - Chairman

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

Richmond Church Charity Estates is an unincorporated charity. The address of the charity's principal office is detailed on page 1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the Charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Charity are the level of investment return and the performance of investment and residential property markets.

Income

All income is recognised in the Statement of Financial Activities (SoFA) once the Charity has legal entitlement to the funds, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

- i) Income from investment properties is accounted for when receivable
- ii) Income from investments is accounted for when receivable.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, 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 stated inclusive of irrecoverable VAT and is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Costs of generating funds include the cost incurred in the administration of the rental properties and collection of rental income charged by the management company. A charge of seventy percent of the clerk's fees for time spent on administration has also been allocated.

Charitable activities include the fixed annual grants made to the churches together with grants made to the Parochial Church Council of the Ecclesiastical Parish of St Mary Magdalene, Richmond with St Matthias and St John the Divine from the unapplied total return.

Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements. They also incorporate a thirty percent charge for the clerk's fees and other professional fees.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity.

Investment property

Investment properties are measured initially at their cost. After initial recognition, investment properties are included at their fair value. Fair value is based on market value. External professional valuations are obtained every five years. Intervening valuations are calculated by reference to recognised property value indices. Gains and losses arising on revaluation and disposal are taken to the SoFA.

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

2.. ACCOUNTING POLICIES - continued

Fixed Asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Gains and losses arising on revaluation and disposal are taken to the SoFA.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Charity is that of volatility in financial markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Fund accounting

Balances are split between unrestricted and endowment funds.

Unrestricted funds are funds available for any purpose within the Charity's charitable objectives.

Endowment funds are those held on trust and administered by the Charity for the benefit of the Charity. The Endowment funds are split between the value of the original gift and the unapplied total return. The value of the original gift must be maintained; however, each year the value of the unapplied total return to be applied is decided by the Trustees.

The income and expenses relevant to the endowment fund are charged to that fund as required by the SORP and the amount of unapplied total return applied during the year is presented as a transfer between funds on the face of the SoFA and in the notes to the accounts.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The valuation of the investment properties at year end has a significant risk of causing material adjustment to their carrying amount within the next financial year. The valuation has been advised by Shaw & Co, Chartered Surveyors and is detailed in note 11.

4. INVESTMENT INCOME

	2023	2022
	£	£
Rents receivable	129,518	145,277
Dividends receivable	266,203	243,909
Interest receivable	<u>58,529</u>	<u>10,317</u>
	<u>454,250</u>	<u>399,503</u>

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

5. RAISING FUNDS

Investment management costs

	2023 £	2022 £
Repairs and maintenance	14,616	17,734
Property management fees	10,425	11,218
Property valuation and introduction fees	2,520	5,040
Clerks' fees	7,856	7,455
Property insurance	4,803	4,567
Liability insurance	977	1,955
Other expenditure	996	2,023
Property sale costs	-	19,420
Major repairs	<u>69,907</u>	<u>-</u>
	<u>112,120</u>	<u>176,994</u>

6. CHARITABLE ACTIVITIES COSTS

	2023 £	2022 £
Grant to PCC of Richmond	458,000	446,000
Fixed annual grants	<u>1,200</u>	<u>1,200</u>
	459,200	447,200
Support costs – See note 7	<u>12,066</u>	<u>10,995</u>
	<u>471,266</u>	<u>458,195</u>

7. SUPPORT COSTS

	2023 £	2022 £
Governance costs		
Auditor's remuneration (including VAT)	8,700	7,800
Clerks' fees	<u>3,366</u>	<u>3,195</u>
	<u>12,066</u>	<u>10,995</u>

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

8. AUDITORS' REMUNERATION

	2023 £	2022 £
External audit fee (net of VAT)	<u>7,250</u>	<u>6,500</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

No Trustee received any remuneration for services as a Trustee for the year (2022: £nil).

No Trustee expenses were paid for the year (2022: £nil).

10. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2023	9,073,324
Purchases	75,000
Revaluation	<u>511,694</u>
At 31 December 2023	<u>9,660,018</u>
NET BOOK VALUE	
At 31 December 2023	<u>9,660,018</u>
At 31 December 2022	<u>9,073,324</u>

There were no investment assets outside the UK. The listed investments, which have been stated at market value at the year end date are not administered by the Trustees.

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

11. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2023	7,452,000
Revaluation	<u>(24,000)</u>
At 31 December 2023	<u>7,428,000</u>
NET BOOK VALUE	
At 31 December 2023	<u>7,428,000</u>
At 31 December 2022	<u>7,452,000</u>

The properties are shown at their market value, and subject to existing tenancies where appropriate. The valuation policy is for investment properties to be valued by a qualified surveyor every five years. Intervening valuations are calculated by reference to recognised property value indices. The most recent external valuation was at 31 December 2020 by Shaw & Company, Chartered Surveyors.

The Charity owns a reversionary interest in land presently occupied by the Church Estate Almshouses and owned by Richmond Charities Almshouses. If any of the almshouses cease to be used permanently as such, half the value of the land (excluding the value added by the presence of the almshouses) becomes payable to the Charity, unless the land is sold and the proceeds of sale are used to purchase replacement land for the provision of almshouses within a reasonable time.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Funds held by letting agents	1,000	1,000
Rental and maintenance debtors	976	1,871
Other debtors and prepayments	<u>51,813</u>	<u>2,855</u>
	<u>52,789</u>	<u>5,726</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Accrued expenses	<u>8,700</u>	<u>7,800</u>

RICHMOND CHURCH CHARITY ESTATES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. MOVEMENT IN FUNDS

	At 1 January 2023	Net movement in funds	Transfers between funds	At 31 December 2023
	£	£	£	£
Unrestricted funds				
General fund	-	(459,200)	459,200	-
Endowment funds				
Unapplied Total Return	11,817,627	817,758	(459,200)	12,176,185
Original Gift	<u>6,280,091</u>	<u>-</u>	<u>-</u>	<u>6,280,091</u>
	<u>18,097,718</u>	<u>358,558</u>	<u>-</u>	<u>18,456,276</u>
TOTAL FUNDS	<u><u>18,097,718</u></u>	<u><u>358,558</u></u>	<u><u>-</u></u>	<u><u>18,456,276</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	-	(459,200)	-	(459,200)
Endowment funds				
Unapplied Total Return	454,250	(124,186)	487,694	817,758
TOTAL FUNDS	<u><u>454,250</u></u>	<u><u>(583,386)</u></u>	<u><u>487,694</u></u>	<u><u>358,558</u></u>

Comparatives for movement in funds

	At 1 January 2022	Net movement in funds	Transfers between funds	At 31 December 2022
	£	£	£	£
Unrestricted funds				
General fund	-	(447,200)	447,200	-
Endowment funds				
Unapplied Total Return	12,851,825	(586,998)	(447,200)	11,817,627
Original Gift	<u>6,280,091</u>	<u>-</u>	<u>-</u>	<u>6,280,091</u>
	<u>19,131,916</u>	<u>(1,034,198)</u>	<u>-</u>	<u>18,097,718</u>
TOTAL FUNDS	<u><u>19,131,916</u></u>	<u><u>(1,034,198)</u></u>	<u><u>-</u></u>	<u><u>18,097,718</u></u>

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

14. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds – continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	-	(447,200)	-	(447,200)
Endowment funds				
Unapplied Total Return	399,503	(80,407)	(906,094)	(586,998)
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>399,503</u>	<u>(527,607)</u>	<u>(906,094)</u>	<u>(1,034,198)</u>

By an Order dated 15 December 2009, the Charity Commission consented to the charity adopting the Total Return approach. The effect of the Order is that an amount of £6,280,091 was set aside as the value of the Original Gift, and this must be retained as permanent endowment. The balance, the Unapplied Total Return, can be retained or distributed as the Trustees see fit.

15. RELATED PARTY DISCLOSURES

During the year grants totalling £459,100 (2022: £447,100) were paid to the Parochial Church Council of the Ecclesiastical Parish of St Mary Magdalene, Richmond with St Matthias and St John the Divine, a Registered Charity (No. 1130018).

Mrs AM Khan was as a member of the Parochial Church Council of the Ecclesiastical Parish of St Mary Magdalene, Richmond with St Matthias and St John the Divine until April 2023.

SM Brown was a member of Parochial Church Council of the Ecclesiastical Parish of St Mary Magdalene, Richmond with St Matthias and St John the Divine during the year.

RICHMOND CHURCH CHARITY ESTATES

England & Wales - Charity number 212770

Accounts

REGISTERED CHARITY NUMBER: 212770

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
RICHMOND CHURCH CHARITY ESTATES**

RICHMOND CHURCH CHARITY ESTATES

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RICHMOND CHURCH CHARITY ESTATES

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2022

TRUSTEES AG Saunders - Chairman
S M Brown
R H Dowler
Mrs A M Khan
J C Stiller

PRINCIPAL ADDRESS 59 Church Road
Richmond
Surrey
TW10 6LX

REGISTERED CHARITY NUMBER 212770

AUDITORS Kreston Reeves LLP
2nd Floor,
168 Shoreditch High Street
London
E1 6RA

SOLICITORS Moore Barlow LLP
2 The Green
Richmond
Surrey
TW9 1PL

BANKERS Lloyds Bank plc
19-20 The Quadrant
Richmond
Surrey
TW9 1BP

PROPERTY MANAGERS HML LAM Ltd
9-11 The Quadrant
Richmond
Surrey
TW9 1BP

RICHMOND CHURCH CHARITY ESTATES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2022.

LEGAL OBJECTS

Objectives

The principal object of the Charity is to apply its income for any religious purposes of Richmond Parish Church (St Mary Magdalene) including repairs to, improvements of, or additions to the Church and its precincts, and the maintenance of the services therein or connected therewith.

The Trustees are required to:

1) Make the following fixed annual appropriations amounting in total to £1,200:

Richmond Parish Church	- £700
The Vicarage of the Parish Church of Richmond	- £100
St John the Divine Church, Richmond	- £200
Holy Trinity Church, Richmond	- £100
St Matthias Church, Richmond	- £100

Any funds available for distribution are to be applied towards any religious purposes connected with the Parish Church of Richmond, or the building of a fund for extraordinary repairs to the same, or any serious emergency affecting the other churches named above.

2) Prepare annual financial statements reflecting in full the activities of the charity.

Total Return Approach

By an Order dated 15 December 2009 the Charity Commission consented to the Charity adopting the Total Return approach, enabling the Trustees of the charity to decide which part (if any) of the unapplied total return from the assets of the charity shall be distributed. The effect of the Order is that the Trustees have discretion to distribute any amount up to the total value of the unapplied total return in furtherance of the objectives of the Charity, or to retain the whole of the unapplied total return (i.e., to make no distribution).

The Trustees have determined that, in the exercise of this power, the guiding principle to be observed is to maintain the purchasing power of the permanent endowment.

During 2021 the Trustees reviewed their policy, regarding the exercise of this power and increased the distribution rate to 2.5% from 2% using the existing methodology of the moving average of total funds of the Charity for the audited financial statements in the three immediately preceding years. This policy will be applied to distributions in each of the three years to 31 December 2023, after which the policy will be reviewed again.

The Financial Investments were administered and managed by the Trustees.

Public benefit

The Trustees confirm that they have referred to the guidance on Public Benefit issued by the Charity Commission and consider that the Charity's stated objectives meet the test of being for the public benefit. None of the Trustees receive any private benefit from the activities of the Charity.

Funds available for distribution must be applied for religious purposes of Richmond Parish Church (unless there should be a call upon funds by any of the other churches named above) both Richmond Parish Church (as part of the Parochial Church Council of the Ecclesiastical Parish of St Mary Magdalene, Richmond with St Matthias and St John the Divine ('the PCC of Richmond')) and Holy Trinity Church (the Parochial Church Council of the Ecclesiastical Parish of Holy Trinity and Christ Church, Richmond Surrey) are registered charities (numbers 1130018 and 1129640 respectively).

RICHMOND CHURCH CHARITY ESTATES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

ACHIEVEMENT AND PERFORMANCE

Activities during the year

It is a pleasure to report that the Richmond Church Charity Estates last year delivered on its key objective of providing funding for the fabric and repair of Richmond Parish Church. The total grant for 2022 was £447,200, an increase of 8.5% over the previous year.

Our total income was broadly unchanged at £399,503 with a fall in property income being offset by a rise in investment income. Because of our adoption of a Total Return approach to distributions, we are able to pay out from capital if our combined income is insufficient to meet our distribution target of 2.5% of total capital.

That capital is currently split between 55% investments, held in a variety of investment funds and 45% residential property. As we have stated before, it is our intention over time to sell down the property portfolio and reinvest in investment funds. That can only happen as properties become vacant. One such property was accordingly sold last year, explaining the fall in rental income together with a temporary agreed rent reduction on another property which may be sold in due course. We are flexible in pursuit of this longer term target and one property was re-let during the year at a higher rent and with minimal void.

Our investment portfolio suffered last year with all the turbulence in global stock markets and the portfolio fell some £906,094, approximately 10%. We benefit though from a very well diversified portfolio both in terms of asset allocation and in terms of fund managers. We are not nearly so dependent on the underperforming UK stock market as many charities, with only 20% in UK equities compared to 50% in overseas equities, the rest in bonds, property, and alternatives. The charity remains in a robust financial position. Cash balances stand at £1,574,467, reflecting mainly the above property sale. We have earmarked £1mn for the Parish Church, over and above our normal distribution, to help fund the redevelopment of the Parish Rooms, to be paid in two stages, the first being when planning permission is obtained but this has been subject to some delay.

The governance of charities has been under some scrutiny recently, but I believe we are in a good place in this respect. Our risk register has been updated recently and to a high standard while our trustee membership is refreshed periodically. Two longstanding trustees will stand down this year and the search is on for replacements. I succeeded Tony Demby who retired as Chair last April but agreed to take over from Derek Robinson as our Clerk. His previous role as Finance Director of the Diocese provides invaluable experience for the successful running of the charity. I believe we can view the future with some confidence.

FINANCIAL REVIEW

Financial performance

Net expenditure for the year was £1,034,098 (2021 - £1,451,959 net income). The decrease is the result of revaluation losses on the investment funds portfolio.

Total income for the year of £399,503 was essentially unchanged (2021: £399,344).

Income from investment funds rose by 3.3% to £254,226 (2021: £246,014) due to interest income earned on cash deposits because of rising interest rates in the second half in the year and increased cash holdings following the sale of a property in August 2022. Investments with a value greater than 5% of the portfolio at 31 December 2022 were:

CF Ruffer Absolute Return Fund
COIF Charities Investment Fund
COIF Charities Global Equity Income Fund
JP Morgan Emerging Markets Fund
M&G Charibond
M&G Charifund
Newton Growth and Income Fund for Charities

RICHMOND CHURCH CHARITY ESTATES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL REVIEW (continued)

Financial performance (continued)

Property income for the year was £145,277 (2021: £153,330) a fall of 5% due to no income being generated from the sale property compared with the prior year.

Net unrealised losses on investments were £906,094 (2021 - £1,650,934 gain). While the property generated a revaluation gain, this was offset by losses on the investment funds as a result of interest rate rises as inflation rose to levels not seen in 40 years and the war in Ukraine.

Grants made increased by 8.5% to £447,200 (2021: 412,200).

Investment policy

The policy is to sell the portfolio of residential property in Richmond as whole properties become vacant and to invest the proceeds in investment funds. The Charity does not invest directly in stocks and shares but through a diversified portfolio of investment funds managed by several different investment managers. The performance of the investment portfolio is reviewed at each trustee meeting and the investment policy is reviewed annually.

Reserves policy

It is the Charity's policy to maintain a cash balance equivalent to at least six months unrestricted payments including any distribution due to the PCC of Richmond.

COVID-19

The Richmond Church Charity Estates is a grant making Charity. All Covid-19 restrictions were lifted in 2022. Consequently, there was no impact on the operations of the Charity during the year and the value of grants awarded was higher than 2021. The Charity derives its income solely from residential property in Richmond and a portfolio of investment funds. Investment income from funds that the Charity is invested in continued to recover during the year. The Trustees consider that the portfolio of investments is well diversified.

FUTURE PLANS

The Trustees aim to maintain the fabric of the investment properties by carrying out programmed maintenance and other repairs as required until whole properties become vacant when they will be sold, and the proceeds invested in financial funds.

STRUCTURE AND GOVERNANCE

The Richmond Church Charity Estates is a registered charity (No 212770). The principal governing documents are an Act of Parliament of 1828, parts only of which still apply, and a Charity Commission Scheme dated 27 May 2004.

The Trustees have ultimate responsibility for all aspects of the Charity's work, in particular determining the strategy and direction, monitoring progress in relation to strategic objectives and the performance of the organisation.

The Charity's constitution provides that the number of Trustees shall be not more than seven, nor less than three. The Trustees meet at least twice a year. Trustees can serve for a maximum of two consecutive terms of four years each. The Chairman can serve an additional two years beyond the end of his or her the second term. Trustees will usually be individuals with some involvement with one of the churches within the PCC of Richmond and have relevant skills and experience. Recruitment by invitation.

The day-to-day operation and administration of the Charity is carried out by a salaried Clerk to the Trustees. The Clerk has delegated authority for operational financial and investment property management matters.

The Trustees are responsible for setting the remuneration of the Clerk to the Trustees. The Clerk is not a member of the Board. No Trustees receive any remuneration for their service.

RICHMOND CHURCH CHARITY ESTATES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

TRUSTEES

The following Trustees were in post for the period 1 January 2022 to the date of approval of these financial statements:

A G Saunders – Chairman (from 28 April 2022)
A E Demby – Chairman (resigned 27 April 2022)
S M Brown
R H Dowler
Mrs E A Fearn (resigned 22 April 2023)
Mrs A M Khan
A G Saunders
J C Stiller

RISK MANAGEMENT

The major risks to which the Charity is exposed, as identified by the Trustees, have been reviewed as part of an annual exercise and systems are in place to mitigate these risks. A risk register has been created and a risk management policy set up. The risks with the highest assessment (considering both impact and likelihood) are shown below, together with actions and mitigations:

Description	Mitigation/Action
Loss of key staff	The Clerk to the Trustees is the only employee. A procedures manual has been prepared. The Clerk meets regularly with the Trustees.
Investment risk	The Charity is invested in a diversified portfolio of financial funds and residential investment properties in Richmond. The Statement of Investment Principles (SIP) is reviewed annually. The portfolio is monitored against the SIP and is rebalanced accordingly.
Sufficient cash to make grants	The Charity holds cash equivalent to the annual grants awarded and six months of other expenditure to avoid realising assets during a period of sudden decline in financial markets. Financial funds are income generating and the yield on the funds is reviewed by the Trustees annually.
Changes to property tenant rights	The residential investment properties are let on as Assured Shorthold Tenancies or as Regulated tenancies. Management of the properties is delegated to a property management company who are responsible for revising the tenancy agreements when legislative changes are made.
Changes to landlord requirements for property	The residential investment properties are subject to regular inspections in accordance with regulatory requirements. Management of the properties is delegated to a property management company who are responsible for compliance with regulatory requirements.

Approved by order of the Board of Trustees on 26 April 2023 and signed on its behalf by:



A G Saunders - Chairman

RICHMOND CHURCH CHARITY ESTATES

TRUSTEES' RESPONSIBILITY STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF RICHMOND CHURCH CHARITY ESTATES

Opinion

We have audited the financial statements of Richmond Church Charity Estates (the 'Charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 charity'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.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF RICHMOND CHURCH CHARITY ESTATES

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

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

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and industry, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investment properties. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Review of cash expenditure to confirm no evidence of personal benefit; and
- Obtaining the Trustees' valuation for the investment properties and assessing the assumptions used to ensure the valuations are not overstated; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF RICHMOND CHURCH CHARITY ESTATES

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

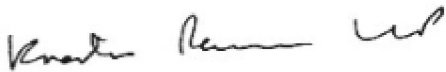
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude 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 scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees and the trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP
Statutory Auditors
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
2nd Floor
168 Shoreditch High Street
London
E1 6RA

Date: 27 April 2023

RICHMOND CHURCH CHARITY ESTATES

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted fund £	Endowment funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Investment income	4	-	399,503	399,503	399,344
Total		-	399,503	399,503	399,344
EXPENDITURE ON					
Raising funds	5	-	69,412	69,412	176,994
Charitable activities					
Distributions to PCC of Richmond	6	446,000	-	446,000	411,000
Fixed annual appropriations		1,200	-	1,200	1,200
Other costs		-	10,995	10,995	9,125
Total		447,200	80,407	527,607	598,319
Net (losses)/gains on investments		-	(1,012,186)	(1,012,186)	946,184
Net gains on investment properties		-	106,092	106,092	704,750
NET (EXPENDITURE)/INCOME		(447,200)	(586,998)	(1,034,198)	1,451,959
Transfers between funds	15	447,200	(447,200)	-	-
Net movement in funds		-	(1,034,198)	(1,034,198)	1,451,959
RECONCILIATION OF FUNDS					
Total funds brought forward		-	19,131,916	19,131,916	17,679,957
TOTAL FUNDS CARRIED FORWARD		-	18,097,718	18,097,718	19,131,916

All activities derive from continuing activities.

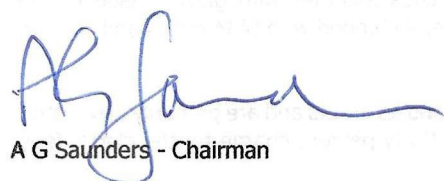
The notes form part of these financial statements

RICHMOND CHURCH CHARITY ESTATES

BALANCE SHEET 31 DECEMBER 2022

	Notes	Unrestricted fund £	Endowment funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Investments					
Investments	10	-	9,073,324	9,073,324	10,085,510
Investment property	11	-	7,452,000	7,452,000	8,386,000
		-	16,525,324	16,525,324	18,471,510
CURRENT ASSETS					
Debtors	12	-	5,726	5,726	6,480
Cash at bank		-	1,574,467	1,574,467	660,940
		-	1,580,193	1,580,193	667,420
CREDITORS					
Amounts falling due within one year	13	-	(7,800)	(7,800)	(7,014)
NET CURRENT ASSETS		-	1,572,393	1,572,393	660,406
TOTAL ASSETS LESS CURRENT LIABILITIES		-	18,097,718	18,097,718	19,131,916
NET ASSETS		-	18,097,718	18,097,718	19,131,916
FUNDS					
Endowment funds:	14				
Unapplied Total Return				11,817,627	12,851,825
Original Gift				6,280,091	6,280,091
				18,097,718	19,131,916
TOTAL FUNDS				18,097,718	19,131,916

The financial statements were approved by the Board of Trustees on 26 April 2023 and were signed on its behalf by:



A G Saunders - Chairman

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

Richmond Church Charity Estates is an unincorporated charity. The address of the charity's principal office is detailed on page 1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the Charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Charity are the level of investment return and the performance of investment and residential property markets.

Income

All income is recognised in the Statement of Financial Activities (SoFA) once the Charity has legal entitlement to the funds, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

- i) Income from investment properties is accounted for when receivable
- ii) Income from investments is accounted for when receivable.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, 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 stated inclusive of irrecoverable VAT and is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Costs of generating funds include the cost incurred in the administration of the rental properties and collection of rental income charged by the management company. A charge of seventy percent of the clerk's fees for time spent on administration has also been allocated.

Charitable activities include the fixed annual grants made to the churches together with grants made to the Parochial Church Council of the Ecclesiastical Parish of St Mary Magdalene, Richmond with St Matthias and St John the Divine from the unapplied total return.

Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements. They also incorporate a thirty percent charge for the clerk's fees and other professional fees.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity.

Investment property

Investment properties are measured initially at their cost. After initial recognition, investment properties are included at their fair value. Fair value is based on market value. External professional valuations are obtained every five years. Intervening valuations are calculated by reference to recognised property value indices. Gains and losses arising on revaluation and disposal are taken to the SoFA.

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

2.. ACCOUNTING POLICIES - continued

Fixed Asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Gains and losses arising on revaluation and disposal are taken to the SoFA.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Charity is that of volatility in financial markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Fund accounting

Balances are split between unrestricted and endowment funds.

Unrestricted funds are funds available for any purpose within the Charity's charitable objectives.

Endowment funds are those held on trust and administered by the Charity for the benefit of the Charity. The Endowment funds are split between the value of the original gift and the unapplied total return. The value of the original gift must be maintained; however, each year the value of the unapplied total return to be applied is decided by the Trustees.

The income and expenses relevant to the endowment fund are charged to that fund as required by the SORP and the amount of unapplied total return applied during the year is presented as a transfer between funds on the face of the SoFA and in the notes to the accounts.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The valuation of the investment properties at year end has a significant risk of causing material adjustment to their carrying amount within the next financial year. The valuation has been advised by Shaw & Co, Chartered Surveyors and is detailed in note 11.

4. INVESTMENT INCOME

	2022	2021
	£	£
Rents receivable	145,277	153,330
Dividends receivable	243,909	245,957
Interest receivable	<u>10,317</u>	<u>57</u>
	<u>399,503</u>	<u>399,344</u>

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

5. RAISING FUNDS

Investment management costs

	2022	2021
	£	£
Repairs and maintenance	17,734	31,196
Property management fees	11,218	11,629
Property valuation and introduction fees	5,040	1,361
Survey fees	-	(200)
Clerks' fees	7,455	7,709
Property insurance	4,567	4,037
Liability insurance	1,955	3,179
Other investment costs	-	2,024
Other expenditure	2,023	-
Property sale costs	19,420	-
Major repairs	-	116,059
	<u>69,412</u>	<u>176,994</u>

6. CHARITABLE ACTIVITIES COSTS

	2022	2021
	£	£
Grant to PCC of Richmond	446,000	411,000
Fixed annual grants	<u>1,200</u>	<u>1,200</u>
	447,200	412,200
Support costs – See note 7	10,995	9,125
	<u>458,195</u>	<u>421,325</u>

7. SUPPORT COSTS

	2022	2021
	£	£
Governance costs		
Auditor's remuneration (including VAT)	7,800	5,820
Clerks' fees	<u>3,195</u>	<u>3,305</u>
	<u>10,995</u>	<u>9,125</u>

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

8. AUDITORS' REMUNERATION

	2022	2021
	£	£
External audit fee (net of VAT)	<u>6,500</u>	<u>4,850</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

No Trustee received any remuneration for services as a Trustee for the year (2021: £nil).

No Trustee expenses were paid for the year (2021: £nil).

10. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2022	10,085,510
Revaluation	<u>(1,012,186)</u>
At 31 December 2022	<u>9,073,324</u>
NET BOOK VALUE	
At 31 December 2022	<u>9,073,324</u>
At 31 December 2021	<u>10,085,510</u>

There were no investment assets outside the UK. The listed investments, which have been stated at market value at the year end date are not administered by the Trustees.

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

11. INVESTMENT PROPERTY

FAIR VALUE

At 1 January 2022	8,386,000
Disposals	(1,165,000)
Revaluation	<u>231,000</u>

At 31 December 2022 7,452,000

NET BOOK VALUE

At 31 December 2022 7,452,000

At 31 December 2021 8,386,000

The properties are shown at their market value, and subject to existing tenancies where appropriate. The valuation policy is for investment properties to be valued by a qualified surveyor every five years. Intervening valuations are calculated by reference to recognised property value indices. The most recent external valuation was at 31 December 2020 by Shaw & Company, Chartered Surveyors.

The Charity owns a reversionary interest in land presently occupied by the Church Estate Almshouses and owned by Richmond Charities Almshouses. If any of the almshouses cease to be used permanently as such, half the value of the land (excluding the value added by the presence of the almshouses) becomes payable to the Charity, unless the land is sold and the proceeds of sale are used to purchase replacement land for the provision of almshouses within a reasonable time.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Funds held by letting agents	1,000	1,000
Rental and maintenance debtors	1,871	1,468
Other debtors and prepayments	<u>2,855</u>	<u>4,012</u>
	<u>5,726</u>	<u>6,480</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Accrued expenses	<u>7,800</u>	<u>7,014</u>

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

14. MOVEMENT IN FUNDS

	At 1 January 2022	Net movement in funds	Transfers between funds	At 31 December 2022
	£	£	£	£
Unrestricted funds				
General fund	-	(447,200)	447,200	-
Endowment funds				
Unapplied Total Return	12,851,825	(586,998)	(447,200)	11,817,627
Original Gift	<u>6,280,091</u>	<u>-</u>	<u>-</u>	<u>6,280,091</u>
	<u>19,131,916</u>	<u>(1,034,198)</u>	<u>-</u>	<u>18,097,718</u>
TOTAL FUNDS	<u><u>19,131,916</u></u>	<u><u>(1,034,198)</u></u>	<u><u>-</u></u>	<u><u>18,097,718</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	-	(447,200)	-	(447,200)
Endowment funds				
Unapplied Total Return	399,503	(80,407)	(906,094)	(586,998)
TOTAL FUNDS	<u><u>399,503</u></u>	<u><u>(527,607)</u></u>	<u><u>(906,094)</u></u>	<u><u>(1,034,198)</u></u>

Comparatives for movement in funds

	At 1 January 2021	Net movement in funds	Transfers between funds	At 31 December 2021
	£	£	£	£
Unrestricted funds				
General fund	-	(412,200)	412,200	-
Endowment funds				
Unapplied Total Return	11,399,866	1,864,159	(412,200)	12,851,825
Original Gift	<u>6,280,091</u>	<u>-</u>	<u>-</u>	<u>6,280,091</u>
	<u>17,679,957</u>	<u>1,451,959</u>	<u>(412,200)</u>	<u>19,131,916</u>
TOTAL FUNDS	<u><u>17,679,957</u></u>	<u><u>1,451,959</u></u>	<u><u>-</u></u>	<u><u>19,131,916</u></u>

RICHMOND CHURCH CHARITY ESTATES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

14. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds – continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	-	(412,200)	-	(412,200)
Endowment funds				
Unapplied Total Return	399,344	(186,119)	1,650,934	1,864,159
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>399,344</u>	<u>(598,319)</u>	<u>1,650,934</u>	<u>1,451,959</u>

By an Order dated 15 December 2009, the Charity Commission consented to the charity adopting the Total Return approach. The effect of the Order is that an amount of £6,280,091 was set aside as the value of the Original Gift, and this must be retained as permanent endowment. The balance, the Unapplied Total Return, can be retained or distributed as the Trustees see fit.

15. RELATED PARTY DISCLOSURES

During the year grants totalling £447,100 (2021: £412,100) were paid to the Parochial Church Council of the Ecclesiastical Parish of St Mary Magdalene, Richmond with St Matthias and St John the Divine, a Registered Charity (No. 1130018).

Mrs AM Khan was as a member of the Parochial Church Council of the Ecclesiastical Parish of St Mary Magdalene, Richmond with St Matthias and St John the Divine during the year.

Mr AE Demby received remuneration of £3,464 in connection with his duties as Clerk to the Trustees until his resignation as Trustee on 27 April 2022 (2021 - £5,196).

16. POST BALANCE SHEET EVENTS

There were no contingent liabilities at the balance sheet date.

This page does not form part of the statutory financial statements

RICHMOND CHURCH CHARITY ESTATES

England & Wales - Charity number 212770

Accounts

REGISTERED CHARITY NUMBER: 212770

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
RICHMOND CHURCH CHARITY ESTATES**

RICHMOND CHURCH CHARITY ESTATES

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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Trustees' Responsibility Statement	6
Report of the Independent Auditors	7 to 9
Statement of Financial Activities	10
Balance Sheet	11
Notes to the Financial Statements	12 to 18

RICHMOND CHURCH CHARITY ESTATES

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2021

TRUSTEES	A E Demby - Chairman S M Brown R H Dowler Mrs E A Fearn Mrs A M Khan A G Saunders J C Stiller
PRINCIPAL ADDRESS	59 Church Road Richmond Surrey TW10 6LX
REGISTERED CHARITY NUMBER	212770
AUDITORS	Kreston Reeves LLP 2 nd Floor, 168 Shoreditch High Street London E1 6RA
SOLICITORS	Moore Barlow LLP 2 The Green Richmond Surrey TW9 1PL
BANKERS	Lloyds Bank plc 19-20 The Quadrant Richmond Surrey TW9 1BP
PROPERTY MANAGERS	HML LAM Ltd 9-11 The Quadrant Richmond Surrey TW9 1BP

RICHMOND CHURCH CHARITY ESTATES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2021.

LEGAL OBJECTS

Objectives

The principal object of the Charity is to apply its income for any religious purposes of Richmond Parish Church (St Mary Magdalene) including repairs to, improvements of, or additions to the Church and its precincts, and the maintenance of the services therein or connected therewith.

The Trustees are required to:

1) Make the following fixed annual appropriations amounting in total to £1,200:

Richmond Parish Church	- £700
The Vicarage of the Parish Church of Richmond	- £100
St John the Divine Church, Richmond	- £200
Holy Trinity Church, Richmond	- £100
St Matthias Church, Richmond	- £100

Any funds available for distribution are to be applied towards any religious purposes connected with the Parish Church of Richmond, or the building of a fund for extraordinary repairs to the same, or any serious emergency affecting the other churches named above.

2) Prepare annual financial statements reflecting in full the activities of the charity.

Total Return Approach

By an Order dated 15 December 2009 the Charity Commission consented to the Charity adopting the Total Return approach, enabling the Trustees of the charity to decide which part (if any) of the unapplied total return from the assets of the charity shall be distributed. The effect of the Order is that the Trustees have discretion to distribute any amount up to the total value of the unapplied total return in furtherance of the objectives of the Charity, or to retain the whole of the unapplied total return (i.e., to make no distribution).

The Trustees have determined that, in the exercise of this power, the guiding principle to be observed is to maintain the purchasing power of the permanent endowment.

During 2021 the Trustees reviewed their policy, regarding the exercise of this power, and decided to increase the distribution rate to 2.5% from 2% using the existing methodology of the moving average of total funds of the Charity for the audited financial statements in the three immediately preceding years. This policy will be applied to distributions in each of the three years to 31 December 2023, after which the policy will be reviewed again.

The Financial Investments were administered and managed by the Trustees.

Public benefit

The Trustees confirm that they have referred to the guidance on Public Benefit issued by the Charity Commission and consider that the Charity's stated objectives meet the test of being for the public benefit. None of the Trustees receive any private benefit from the activities of the Charity.

Funds available for distribution must be applied for religious purposes of Richmond Parish Church (unless there should be a call upon funds by any of the other churches named above) both Richmond Parish Church (as part of the Parochial Church Council of the Ecclesiastical Parish of St Mary Magdalene, Richmond with St Matthias and St John the Divine ('the PCC of Richmond')) and Holy Trinity Church (the Parochial Church Council of the Ecclesiastical Parish of Holy Trinity and Christ Church, Richmond Surrey) are registered charities (numbers 1130018 and 1129640 respectively).

RICHMOND CHURCH CHARITY ESTATES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

ACHIEVEMENT AND PERFORMANCE

Activities during the year

The strength of the financial recover in 2021 surprised many market commentators and this brought its own challenges.

For Richmond Church Charity Estates (RCCE) the recovery meant higher investment income although offset by major capital works on the property portfolio, some of which was deferred from 2020 because of supplier and building material shortages. More significantly, unrealised gain on both property and financial investments were substantial resulting in the net assets of the Charity closing the year at a record high of £19,131,916 (2020: £17,679,957).

The total return policy adopted by RCCE means that the increase in the value of the portfolio will further increase the grant available for distribution. During the year the Trustees agreed to increase the distribution rate to 2.5% from 2%, which is considered to be sustainable, because of the shift in the portfolio towards financial assets. Over time expenditure on property maintenance has become less significant and will fall further as properties are sold.

The investment policy has been to hold an equal proportion of the assets in property and financial investments. The Trustees have agreed to dispose of the entire property portfolio and be fully invested in financial assets. Over the long-term financial assets, and particularly equities, have outperformed property. While more volatile, funds are inherently more liquid than property and do not require significant expenditure to maintain the value of the assets. The diversified portfolio of funds held has proven its resilience since RCCE began to diversify out of residential property in 2010.

Properties will be disposed as tenancies of whole houses become available. A number of the tenancies are regulated, and it is anticipated that because of this the disposal process will take many years to complete. A property became available in the second half of the year and has been put up for sale.

The grant paid from the unapplied total return in 2021 was £411,000 (2020: £311,000) an increase of 32% over 2020 due to the change in policy described above. Following a request by Richmond Team Ministry, a further one-off grant of £1,000,000 will be made for the redevelopment of the Parish Rooms payable in two equal instalments: the first being once planning permission has been obtained; and the second once building works have begun. The grant will be funded from the proceeds of the property presently for sale.

During the year we welcomed Stephen Brown and Charles Stiller as Trustees. Stephen is a solicitor and partner in a City law firm while Charles recently retired as a senior manager with Barclays Bank. Charles has been Parish Warden and was a long serving member on Richmond Team Ministry PCC. I will be retiring from the Board following the AGM as required by the governance document having served ten years. It has been an honour and a privilege to have done so. Alan Saunders will take over as Chairman.

In May 2021 Derek Robinson retired as Clerk to the Trustees after seventeen years. His deep knowledge of trusts and determination to see through often complex and protracted property matters are much appreciated. Derek will be much missed. In July 2021 I was appointed his successor.

FINANCIAL REVIEW

Financial performance

Net income for the year was £1,451,959 (2020 - £960,080) an increase of 60% principally the result of revaluation gains across the portfolio of investments held.

Total income increased by 3% in the year to £399,344 (2020: £387,762).

Income from financial assets rose by 12% to £246,014 (2020: £220,438) as distributions made by the fund managers were partially restored following the reductions made in 2020 and also from additional investments made from the proceeds of a property sold in 2020. Investments with a value greater than 5% of the portfolio at 31 December 2021 were:

CF Ruffer Absolute Return Fund
COIF Charities Investment Fund
COIF Charities Global Equity Income Fund
JP Morgan Emerging Markets Fund
M&G Charibond
M&G Charifund
Newton Growth and Income Fund for Charities

RICHMOND CHURCH CHARITY ESTATES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL REVIEW (continued)

Financial performance (continued)

Property income for the year was £153,330 (2020: £167,324) a fall of 8% due to the sale of a property in the previous year, which has reduced potential income, and a property falling vacant during the second half of the year which has been put up for sale rather being re-let.

Net gains on investments were £1,650,934 (2020 - £950,010). Both the property and investment portfolios contributed strongly to the overall total as the economy recovered more quickly than economists previously anticipated.

Grants made increased by 32% to £412,200 (2020: 312,200) following an increase in the distribution rate to 2.5% (2020: 2%) from the unapplied total return.

In 2021 the Trustees adopted a revised property valuation policy whereby properties will be valued by a qualified surveyor every five years with intervening valuations being calculated by reference to recognised property value indices. The most recent external valuation was at 31 December 2020.

Investment policy

During the year the investment policy was revised. The policy is to sell the portfolio of residential property in Richmond as whole properties become vacant and to invest the proceeds in investment funds. The Charity does not invest directly in stocks and shares but through a diversified portfolio of investment funds managed by several different investment managers. The performance of the investment portfolio is reviewed at each trustee meeting and the investment policy is reviewed annually.

Reserves policy

It is the Charity's policy to maintain a cash balance equivalent to at least six months unrestricted payments including any distribution due to the PCC of Richmond.

COVID-19

The Richmond Church Charity Estates is a grant making Charity. Covid-19 has had limited impact on the operations of the Charity. Its assets are invested in residential property in Richmond and a diversified portfolio of financial funds. The Charity's assets increased in value during 2021, following on from an increase in 2020. Investment income from the funds that the Charity is invested in recovered during the year. In addition, the Charity adopts a total return policy and there has been no impact on the value of grants awarded. The Trustees will continue to monitor the situation but consider that the portfolio of investments is well diversified.

FUTURE PLANS

The Trustees aim to maintain the fabric of the investment properties by carrying out programmed maintenance and other repairs as required until whole properties become vacant when they will be sold, and the proceeds invested in financial funds.

STRUCTURE AND GOVERNANCE

The Richmond Church Charity Estates is a registered charity (No 212770). The principal governing documents are an Act of Parliament of 1828, parts only of which still apply, and a Charity Commission Scheme dated 27 May 2004.

The Trustees have ultimate responsibility for all aspects of the Charity's work, in particular determining the strategy and direction, monitoring progress in relation to strategic objectives and the performance of the organisation.

The Charity's constitution provides that the number of Trustees shall be not more than seven, nor less than three. The Trustees meet at least twice a year. Trustees can serve for a maximum of two consecutive terms of four years each. The Chairman can serve an additional two years beyond the end of his or her the second term. Trustees will usually be individuals with some involvement with one of the churches within the PCC of Richmond and have relevant skills and experience. Recruitment by invitation.

The day-to-day operation and administration of the Charity is carried out by a salaried Clerk to the Trustees. The Clerk has delegated authority for operational financial and investment property management matters.

The Trustees are responsible for setting the remuneration of the Clerk to the Trustees. The Clerk is not a member of the Board. No Trustees receive any remuneration for their service.

RICHMOND CHURCH CHARITY ESTATES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

TRUSTEES

The following Trustees were in post for the period 1 January 2021 to the date of approval of these financial statements:

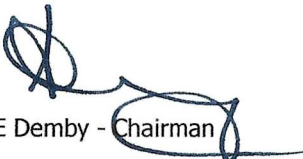
A E Demby – Chairman (to 27 April 2022)
S M Brown (from 28 April 2021)
R H Dowler
Mrs E A Fearn
Mrs A M Khan
A G Saunders
J C Stiller (from 28 April 2021)

RISK MANAGEMENT

The major risks to which the Charity is exposed, as identified by the Trustees, have been reviewed as part of an annual exercise and systems are in place to mitigate these risks. A risk register has been created and a risk management policy set up. The risks with the highest assessment (considering both impact and likelihood) are shown below, together with actions and mitigations:

Description	Mitigation/Action
Loss of key staff	The Clerk to the Trustees is the only employee. A procedures manual has been prepared. The Clerk meets regularly with the Trustees.
Investment risk	The Charity is invested in a diversified portfolio of financial funds and residential investment properties in Richmond. The Statement of Investment Principles (SIP) is reviewed annually. The portfolio is monitored against the SIP and is rebalanced accordingly.
Sufficient cash to make grants	The Charity holds cash equivalent to the annual grants awarded and six months of other expenditure to avoid realising assets during a period of sudden decline in financial markets. Financial funds are income generating and the yield on the funds is reviewed by the Trustees annually.
Changes to property tenant rights	The residential investment properties are let on as Assured Shorthold Tenancies or as Regulated tenancies. Management of the properties is delegated to a property management company who are responsible for revising the tenancy agreements when legislative changes are made.
Changes to landlord requirements for property	The residential investment properties are subject to regular inspections in accordance with regulatory requirements. Management of the properties is delegated to a property management company who are responsible for compliance with regulatory requirements.

Approved by order of the Board of Trustees on 27 April 2022 and signed on its behalf by:


A E Demby - Chairman

RICHMOND CHURCH CHARITY ESTATES

TRUSTEES' RESPONSIBILITY STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF RICHMOND CHURCH CHARITY ESTATES

Opinion

We have audited the financial statements of Richmond Church Charity Estates (the 'Charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 charity'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.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF RICHMOND CHURCH CHARITY ESTATES

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

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

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and industry, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investment properties. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud;; and
- Review of cash expenditure to confirm no evidence of personal benefit; and
- Obtaining the Trustees' valuation for the investment properties and assessing the assumptions used to ensure the valuations are not overstated; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF RICHMOND CHURCH CHARITY ESTATES

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

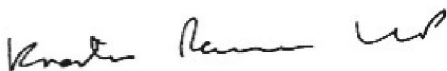
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude 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 scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees and the trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP
Statutory Auditors
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
2nd Floor
168 Shoreditch High Street
London
E1 6RA

Date: 29 April 2022

RICHMOND CHURCH CHARITY ESTATES

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted fund £	Endowment funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Investment income	4	-	399,344	399,344	387,762
Total		-	399,344	399,344	387,762
EXPENDITURE ON					
Raising funds	5	-	176,994	176,994	56,950
Charitable activities					
Distributions to PCC of Richmond	6	411,000	-	411,000	311,000
Fixed annual appropriations		1,200	-	1,200	1,200
Other costs		-	9,125	9,125	8,542
Total		412,200	186,119	598,319	377,692
Net gains on investments		-	946,184	946,184	485,743
Net gains on investment properties		-	704,750	704,750	464,267
NET INCOME/(EXPENDITURE)		(412,200)	1,864,159	1,451,959	960,080
Transfers between funds	16	412,200	(412,200)	-	-
Net movement in funds		-	1,451,959	1,451,959	960,080
RECONCILIATION OF FUNDS					
Total funds brought forward		-	17,679,957	17,679,957	16,719,877
TOTAL FUNDS CARRIED FORWARD		-	19,131,916	19,131,916	17,679,957

All activities derive from continuing activities.

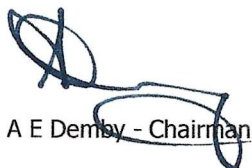
The notes form part of these financial statements

RICHMOND CHURCH CHARITY ESTATES

BALANCE SHEET 31 DECEMBER 2021

	Notes	Unrestricted fund £	Endowment funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Investments					
Investments	10	-	10,085,510	10,085,510	8,860,368
Investment property	11	-	<u>8,386,000</u>	<u>8,386,000</u>	<u>7,681,250</u>
		-	18,471,510	18,471,510	16,541,618
CURRENT ASSETS					
Debtors	12	-	6,480	6,480	6,168
Cash at bank		-	<u>660,940</u>	<u>660,940</u>	<u>1,138,351</u>
		-	667,420	667,420	1,144,519
CREDITORS					
Amounts falling due within one year	13	-	(7,014)	(7,014)	(6,180)
NET CURRENT ASSETS					
		-	<u>660,406</u>	<u>660,406</u>	<u>1,138,339</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		-	<u>19,131,916</u>	<u>19,131,916</u>	<u>17,677,957</u>
NET ASSETS					
		-	<u><u>19,131,916</u></u>	<u><u>19,131,916</u></u>	<u><u>17,677,957</u></u>
FUNDS					
Endowment funds:	14				
Unapplied Total Return				12,851,825	11,399,866
Original Gift				<u>6,280,091</u>	<u>6,280,091</u>
				<u>19,131,916</u>	<u>17,679,957</u>
TOTAL FUNDS					
				<u><u>19,131,916</u></u>	<u><u>17,679,957</u></u>

The financial statements were approved by the Board of Trustees on 27 April 2022 and were signed on its behalf by:


A E Demby - Chairman

The notes form part of these financial statements

RICHMOND CHURCH CHARITY ESTATES

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

1. GENERAL INFORMATION

Richmond Church Charity Estates is an unincorporated charity. The address of the charity's principal office is detailed on page 1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the Charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Charity are the level of investment return and the performance of investment and residential property markets.

Income

All income is recognised in the Statement of Financial Activities (SoFA) once the Charity has legal entitlement to the funds, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

- i) Income from investment properties is accounted for when receivable
- ii) Income from investments is accounted for when receivable.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, 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 stated inclusive of irrecoverable VAT and is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Costs of generating funds include the cost incurred in the administration of the rental properties and collection of rental income charged by the management company. A charge of seventy percent of the clerk's fees for time spent on administration has also been allocated.

Charitable activities include the fixed annual grants made to the churches together with grants made to the Parochial Church Council of the Ecclesiastical Parish of St Mary Magdalene, Richmond with St Matthias and St John the Divine from the unapplied total return.

Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements. They also incorporate a thirty percent charge for the clerk's fees and other professional fees.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity.

Investment property

Investment properties are measured initially at their cost. After initial recognition, investment properties are included at their fair value. Fair value is based on market value. External professional valuations are obtained every five years. Intervening valuations are calculated by reference to recognised property value indices. Gains and losses arising on revaluation and disposal are taken to the SoFA.

RICHMOND CHURCH CHARITY ESTATES

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

2.. ACCOUNTING POLICIES - continued

Fixed Asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Gains and losses arising on revaluation and disposal are taken to the SoFA.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Charity is that of volatility in financial markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Fund accounting

Balances are split between unrestricted and endowment funds.

Unrestricted funds are funds available for any purpose within the Charity's charitable objectives.

Endowment funds are those held on trust and administered by the Charity for the benefit of the Charity. The Endowment funds are split between the value of the original gift and the unapplied total return. The value of the original gift must be maintained; however, each year the value of the unapplied total return to be applied is decided by the Trustees.

The income and expenses relevant to the endowment fund are charged to that fund as required by the SORP and the amount of unapplied total return applied during the year is presented as a transfer between funds on the face of the SoFA and in the notes to the accounts.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The valuation of the investment properties at year end has a significant risk of causing material adjustment to their carrying amount within the next financial year. The valuation has been advised by Shaw & Co, Chartered Surveyors and is detailed in note 11.

4. INVESTMENT INCOME

	2021	2020
	£	£
Rents receivable	153,330	167,324
Dividends receivable	245,957	219,187
Interest receivable	57	1,251
	<u>399,344</u>	<u>387,762</u>

RICHMOND CHURCH CHARITY ESTATES

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

5. RAISING FUNDS

Investment management costs

	2021 £	2020 £
Repairs and maintenance	31,196	29,019
Property management fees	11,629	10,289
Property valuation and introduction fees	1,361	660
Survey fees	(200)	1,512
Clerks' fees	7,709	7,400
Property insurance	4,037	4,538
Liability insurance	3,179	3,086
Other investment costs	2,024	446
Major repairs	<u>116,059</u>	<u>-</u>
	<u>176,994</u>	<u>56,950</u>

6. CHARITABLE ACTIVITIES COSTS

	2021 £	2020 £
Grant to PCC of Richmond	411,000	311,000
Fixed annual grants	<u>1,200</u>	<u>1,200</u>
	412,200	312,200
Support costs – See note 7	<u>9,125</u>	<u>8,542</u>
	<u>421,325</u>	<u>320,742</u>

7. SUPPORT COSTS

	2021 £	2020 £
Governance costs		
Auditor's remuneration (including VAT)	5,820	5,520
Clerks' fees	3,305	2,992
Bank charges	<u>-</u>	<u>30</u>
	<u>9,125</u>	<u>8,542</u>

RICHMOND CHURCH CHARITY ESTATES

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

8. AUDITORS' REMUNERATION

	2021	2020
	£	£
External audit fee (net of VAT)	<u>4,850</u>	<u>4,600</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

No Trustee received any remuneration for services as a Trustee for the year (2020: £nil).

No Trustee expenses were paid for the year (2020: £nil).

10. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2021	8,860,368
Additions	808,500
Disposals	(507,172)
Revaluation	<u>923,814</u>
At 31 December 2021	<u>10,085,510</u>
NET BOOK VALUE	
At 31 December 2021	<u>10,085,510</u>
At 31 December 2020	<u>8,860,368</u>

There were no investment assets outside the UK. The listed investments, which have been stated at market value at the year end date are not administered by the Trustees.

RICHMOND CHURCH CHARITY ESTATES

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

11. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2021	7,681,250
Revaluation	<u>704,750</u>
At 31 December 2021	<u>8,386,000</u>
NET BOOK VALUE	
At 31 December 2021	<u>8,386,000</u>
At 31 December 2020	<u>7,681,250</u>

The properties are shown at their market value, and subject to existing tenancies where appropriate. The valuation policy is for investment properties to be valued by a qualified surveyor every five years. Intervening valuations are calculated by reference to recognised property value indices. The most recent external valuation was at 31 December 2020 by Shaw & Company, Chartered Surveyors.

The Charity owns a reversionary interest in land presently occupied by the Church Estate Almshouses and owned by Richmond Charities Almshouses. If any of the almshouses cease to be used permanently as such, half the value of the land (excluding the value added by the presence of the almshouses) becomes payable to the Charity, unless the land is sold and the proceeds of sale are used to purchase replacement land for the provision of almshouses within a reasonable time.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Funds held by letting agents	1,000	1,000
Rental and maintenance debtors	1,468	5,168
Other debtors and prepayments	<u>4,012</u>	-
	<u>6,480</u>	<u>6,168</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Accrued expenses	<u>7,014</u>	<u>6,180</u>

RICHMOND CHURCH CHARITY ESTATES

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

14. MOVEMENT IN FUNDS

	At 1 January 2021	Net movement in funds	Transfers between funds	At 31 December 2021
	£	£	£	£
Unrestricted funds				
General fund	-	(412,200)	412,200	-
Endowment funds				
Unapplied Total Return	11,399,866	1,864,159	(412,200)	12,851,825
Original Gift	<u>6,280,091</u>	<u>-</u>	<u>-</u>	<u>6,280,091</u>
	<u>17,679,957</u>	<u>1,451,959</u>	<u>-</u>	<u>19,131,916</u>
TOTAL FUNDS	<u>17,679,957</u>	<u>1,451,959</u>	<u>-</u>	<u>19,131,916</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	-	(412,200)	-	(412,200)
Endowment funds				
Unapplied Total Return	399,344	(186,119)	1,650,934	1,864,159
	<u>399,344</u>	<u>(598,319)</u>	<u>1,650,934</u>	<u>1,451,959</u>
TOTAL FUNDS	<u>399,344</u>	<u>(598,319)</u>	<u>1,650,934</u>	<u>1,451,959</u>

Comparatives for movement in funds

	At 1 January 2020	Net movement in funds	Transfers between funds	At 31 December 2020
	£	£	£	£
Unrestricted funds				
General fund	-	(312,200)	312,200	-
Endowment funds				
Unapplied Total Return	10,439,786	1,272,280	(312,200)	11,399,866
Original Gift	<u>6,280,091</u>	<u>-</u>	<u>-</u>	<u>6,280,091</u>
	<u>16,719,877</u>	<u>1,272,280</u>	<u>(312,200)</u>	<u>17,679,957</u>
TOTAL FUNDS	<u>16,719,877</u>	<u>960,080</u>	<u>-</u>	<u>17,679,957</u>

RICHMOND CHURCH CHARITY ESTATES

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

14. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds – continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	-	(312,200)	-	(312,200)
Endowment funds				
Unapplied Total Return	387,762	(65,492)	950,010	1,272,280
TOTAL FUNDS	<u>387,762</u>	<u>(377,692)</u>	<u>950,010</u>	<u>960,080</u>

By an Order dated 15 December 2009, the Charity Commission consented to the charity adopting the Total Return approach. The effect of the Order is that an amount of £6,280,091 was set aside as the value of the Original Gift, and this must be retained as permanent endowment. The balance, the Unapplied Total Return, can be retained or distributed as the Trustees see fit.

15. RELATED PARTY DISCLOSURES

During the year grants totalling £412,100 (2020: £312,100) were paid to the Parochial Church Council of the Ecclesiastical Parish of St Mary Magdalene, Richmond with St Matthias and St John the Divine, a Registered Charity (No. 1130018).

Mrs AM Khan was as a member of the Parochial Church Council of the Ecclesiastical Parish of St Mary Magdalene, Richmond with St Matthias and St John the Divine during the year.

Mr AE Demby was appointed Clerk to the Trustees on 1 July 2021 and received remuneration of £5,196 in connection with his duties as Clerk (2020 - £nil).

16. POST BALANCE SHEET EVENTS

There were no contingent liabilities at the balance sheet date.

This page does not form part of the statutory financial statements
