

Charity Registration No. 229237

COVENTRY FREEMEN'S CHARITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

COVENTRY FREEMEN'S CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr D Handford Mr D Mason Mr J Parry Mr M Rawson Mr R Smith Mr G M Wilkinson Mr D Bullman Mr D C Mander Mr P Rosier
Charity number	229237
Registered office	3Mc Middlemarch Business Park Siskin Drive Coventry CV3 4FJ
Auditor	Dafferns LLP Harry Weston Road Binley Business Park Coventry United Kingdom CV3 2UB
Bankers	HSBC 55 Corporation Street Coventry CV1 1QJ
Solicitors	Mander Hadley Limited Solicitors 1 The Quadrant Coventry West Midlands United Kingdom CV1 2DW
Investment advisors	Quilter Cheviot Ltd Provincial House 37 New Walk Leicester LE1 6TU United Kingdom

COVENTRY FREEMEN'S CHARITY

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COVENTRY FREEMEN'S CHARITY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Charities Act 2011 and "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)".

Objectives and activities

The aims and objectives of the Charity for the period under review were as follows:-

a] The payment of pensions to needy Freemen of the City of Coventry and their dependants and the widows, widowers and other former dependants of a deceased Freeman, who are resident within the existing boundary of the City of Coventry, or within a radius of seven miles from St Mary's Hall.

b] Relief in need, relieving either generally or individually, persons having similar types of qualifications to the pensioners of the Charity.

The trustees have considered the Charity Commission's general guidance on public benefit and consider that the charity has achieved its objectives during the period under review.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Pensioners

The number of persons receiving pensions under (a) above at 31st December 2021 was 2,618. This was made up of Freemen and women 1,989, Widows 621, and special cases 8.

Payments made to pensioners totalled £524,090 which compares with £568,812 in 2020.

During the year no additional relief was granted (2020 - nil).

After discharging all liabilities and taking into account adjustments for gains and losses on both investments and investment properties, the Charity was left with a surplus of £3,011,757 as shown in the Statement of Financial Activities, on page 8.

The rest of the Charity's Financial Statements are explained in the notes on pages 11 to 20 and there are no items requiring special attention.

Fundraising Regulator Statement of Compliance

Coventry Freemen's Charity does not contract with a third party to undertake any fundraising on its behalf. Hence, we have received no fundraising complaints during the year.

Investment performance

The charity continued to perform well when measured against its targets and objectives for the year.

The principal objective of paying pensions and hardship alleviation to freemen was made possible by the continuing generation of income from the property and investment portfolio. The portfolios of property and investments continued to generate sufficient returns to enable the principal objectives to be met, and the trustees consider that performance was satisfactory for the year.

Bad debts relating to ground rents of £0 (2020, £40) were written off during the year.

COVENTRY FREEMEN'S CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

Investment policy and objectives

There are no restrictions on the Charity's power to invest. The investment strategy is set by the Trustees for a period of five years and takes account of recent demand for funds. The Trustees consider the income requirements, the risk profile and the investment manager's view of the market prospects in the medium term. This strategy is set within an overall policy which states that the endowment fund is to be invested in low and medium risk investments with a view to ensuring that capital appreciation of the fund exceeds inflation over each five year period. The unrestricted and restricted funds may be invested in any type of investment. Our strategy is reviewed with our investment managers annually.

The Charity has a broad based investment policy and relies on the advice of its brokers Quilter Cheviot Limited for the management of its investments. The instructions given are to invest for income and medium to low risk stocks. The Charity has considerable investments in properties which are managed by the surveyors, Loveitts. The Trustees are satisfied that the income and capital value of all investments has risen during the year in line with known market indices.

Reserves policy

The endowment funds represent the capital of the Charity upon formation which is to be maintained indefinitely. It is intended that the level of unrestricted funds represented by accumulated surpluses are to equate to at least one year's expenditure but not more than two. This is considered a prudent level of unrestricted reserves, since it allows current commitments to be met whilst maintaining the flexibility to deal with unforeseen events.

The current reserves are £1,372,435 in the unrestricted fund which are the free reserves and £17,589,704 on the endowment fund. The total funds held were £18,962,139. These are held to enable the charity to meet its ongoing commitment to members. No funds had been designated as at the year end. There were no programme related investments at the year end. The unrestricted funds held are in accordance with the reserves policy,

Sources of funding

The main source of funding continued to be the property and investment portfolio.

Risk management

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The risk management is reviewed annually by the Trustees.

New and future developments

There have been no major new developments in the year and the Trustees at present envisage that the Charity will continue to operate in the future in its present form.

Structure, governance and management

The Charity is constituted under a scheme ordered by the Charity Commissioners for England and Wales sealed on 29th December 1978 embracing the charities formerly known as:

- a. The Freeman's Seniority Fund
- b. The Estates of the Freeman and Widows of Freeman of the City of Coventry
- c. The Estates of the Freeman of the City of Coventry.

COVENTRY FREEMEN'S CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees

The trustees who served during the year were:

Mr D Handford

Mr D Mason

Mr J Milne

(Resigned 26 November 2021)

Mr J Parry

Mr M Rawson

Mr K Talbot

(Resigned 25 March 2022)

Mr R Taylor

(Resigned 25 March 2022)

Mr R Smith

Mr G M Wilkinson

Mr D Bullman

Mr D F Evans

(Resigned 28 May 2021)

Mr D C Mander

Mr P Rosier

How decisions are made

The board of trustees meets regularly for the purposes of discussing the charity's affairs and decision making.

Induction and training of trustees

New trustees undergo a period of orientation to brief them on their legal obligations under charity law, the content of the governing document, the committee and decision making processes, the business plan and recent financial performance of the Charity. During the induction they meet key personnel and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

The trustees' report was approved by the Board of Trustees.



Trustee

Dated: 13.10.22

COVENTRY FREEMEN'S CHARITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

COVENTRY FREEMEN'S CHARITY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF COVENTRY FREEMEN'S CHARITY

Opinion

We have audited the financial statements of Coventry Freeman's Charity (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

COVENTRY FREEMEN'S CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF COVENTRY FREEMEN'S CHARITY

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 cease operations, or have no realistic alternative but to do so.

Auditor's 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 regulations under section 154 of that act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

COVENTRY FREEMEN'S CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF COVENTRY FREEMEN'S CHARITY

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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Dafferns LLP

13 October 2022

Chartered Accountants
Statutory Auditor

Harry Weston Road
Binley Business Park
Coventry
United Kingdom
CV3 2UB

Dafferns LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

COVENTRY FREEMEN'S CHARITY

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
Income from:							
Investments	3	933,769	-	933,769	912,806	-	912,806
Expenditure on:							
Charitable activities	4	771,387	-	771,387	1,061,341	-	1,061,341
Net gains/(losses) on investments	8	95,270	2,754,105	2,849,375	(59,001)	(123,633)	(182,634)
Net movement in funds		257,652	2,754,105	3,011,757	(207,536)	(123,633)	(331,169)
Fund balances at 1 January 2021		1,114,783	14,835,599	15,950,382	1,322,319	14,959,232	16,281,551
Fund balances at 31 December 2021		1,372,435	17,589,704	18,962,139	1,114,783	14,835,599	15,950,382

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

All income and expenditure derive from continuing activities.

COVENTRY FREEMEN'S CHARITY

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investment properties	9	15,890,000		12,628,811	
Investments	10	2,937,635		3,173,784	
		18,827,635		15,802,595	
Current assets					
Debtors	12	36,623		42,114	
Cash at bank and in hand		132,795		142,264	
		169,418		184,378	
Creditors: amounts falling due within one year	13	(34,914)		(36,591)	
Net current assets		134,504		147,787	
Total assets less current liabilities		18,962,139		15,950,382	
Capital funds					
Endowment funds - general	14	17,589,704		14,835,599	
Income funds					
Unrestricted funds		1,372,435		1,114,783	
		18,962,139		15,950,382	

The financial statements were approved by the Trustees on 13.10.22



Trustee

COVENTRY FREEMEN'S CHARITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	18		(767,573)		(950,017)
Investing activities					
Purchase of investment property		(725,491)		-	
Purchase of other investments		(299,393)		(183,627)	
Proceeds on disposal of other investments		849,219		262,488	
Investment income received		933,769		912,806	
Net cash generated from investing activities			758,104		991,667
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(9,469)		41,650
Cash and cash equivalents at beginning of year			142,264		100,614
Cash and cash equivalents at end of year			<u>132,795</u>		<u>142,264</u>

COVENTRY FREEMEN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Coventry Freeman's Charity is a charitable trust constituted under a scheme ordered by the Charity Commissioners for England and Wales sealed on 29th December 1978. See reference in the trustees' report.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

COVENTRY FREEMEN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is probable. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities;
- Other expenditure represents those items not falling into the categories above.
- Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 5.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

COVENTRY FREEMEN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The charity is not liable to income tax on its charitable activities.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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.

COVENTRY FREEMEN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Rental income	828,842	814,516
Income from listed investments	104,293	97,457
Building leases	60	60
Acknowledgements	124	124
Interest receivable	450	649
	<u>933,769</u>	<u>912,806</u>

Income from investment income was wholly attributable to unrestricted funds in the current and preceding year.

4 Charitable activities

	2021	2020
	£	£
Investment brokers	5,944	5,906
Commissions paid	73,944	72,732
Property repairs	72,353	278,350
Rates and water	12,023	4,301
Light and heat	1,511	4,012
Surveyors fees	12,490	25,760
Legal fees	(6,854)	22,509
Seniority payments	524,090	543,312
Death benefit payments	-	25,500
Insurance	35,633	34,173
Bad debt	-	40
	<u>731,134</u>	<u>1,016,595</u>
Share of support costs (see note 5)	19,697	25,726
Share of governance costs (see note 5)	20,556	19,020
	<u>771,387</u>	<u>1,061,341</u>

Expenses within charitable activities was wholly attributable to unrestricted funds in the current and preceding year.

COVENTRY FREEMEN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Seniority software	360	-	360	360	-	360
Sundry expenses	-	-	-	3,889	-	3,889
Clerk's salary	13,680	-	13,680	13,680	-	13,680
Legal expenses	4,248	-	4,248	7,073	-	7,073
Bank charges	1,409	-	1,409	724	-	724
Audit fees	-	6,876	6,876	-	5,340	5,340
Clerk's salary	-	13,680	13,680	-	13,680	13,680
	<u>19,697</u>	<u>20,556</u>	<u>40,253</u>	<u>25,726</u>	<u>19,020</u>	<u>44,746</u>
Analysed between						
Charitable activities	<u>19,697</u>	<u>20,556</u>	<u>40,253</u>	<u>25,726</u>	<u>19,020</u>	<u>44,746</u>

Governance costs includes payments to the auditors of £6,876 (2020- £5,340) for audit fees.

6 Trustees

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor 2020.

Trustees' expenses

None of the trustees received any expenses in the year ended 31 December 2021 nor 2020.

7 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Clerk	<u>1</u>	<u>1</u>

There were no employees whose annual remuneration was £60,000 or more.

COVENTRY FREEMEN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

8 Net gains/(losses) on investments

	Unrestricted funds	Endowment funds general	Total	Unrestricted funds	Endowment funds general	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Revaluation of investments	95,270	218,407	313,677	(59,001)	(123,633)	(182,634)
Revaluation of investment properties	-	2,535,698	2,535,698	-	-	-
	<u>95,270</u>	<u>2,754,105</u>	<u>2,849,375</u>	<u>(59,001)</u>	<u>(123,633)</u>	<u>(182,634)</u>

9 Investment property

	2021 £
Fair value	
At 1 January 2021	12,628,811
Additions through external acquisition	725,491
Net gains or losses through fair value adjustments	<u>2,535,698</u>
At 31 December 2021	<u>15,890,000</u>

The land and buildings were re-valued by Loveitts, Chartered Surveyors, as at 31st December 2021 on an open market basis in accordance with the guidelines issued by the Royal Institution of Chartered Surveyors.

COVENTRY FREEMEN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

10 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2021	3,173,784
Additions	299,393
Valuation changes	313,677
Disposals	(849,219)
At 31 December 2021	2,937,635
Carrying amount	
At 31 December 2021	2,937,635
At 31 December 2020	3,173,784

11 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	36,623	42,114
Equity instruments measured at fair value	2,937,635	3,173,784
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
Measured at amortised cost	33,560	33,565

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	36,623	42,114

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	1,354	3,026
Other creditors	18,706	18,545
Accruals and deferred income	14,854	15,020
	34,914	36,591

COVENTRY FREEMEN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

14 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

Balance at 1 January 2020	Movement in funds			Movement in funds			Balance at 31 December 2021
	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Revaluations gains and losses	Transfers	
£	£	£	£	£	£	£	£
14,959,232	-	-	-	132,632	14,835,599	-	17,589,704
14,959,232	-	-	-	132,632	14,835,599	-	17,589,704

This fund consists of the original endowment incorporated in the Inclosure Awards dated 2nd November 1860 and dated 22nd June 1875 together with the accumulated gains or losses arising on disposal of the Charity's investments and may only be applied in the acquisition of other investments.

COVENTRY FREEMEN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Analysis of net assets between funds

	Unrestricted	Endowment	Total	Unrestricted	Endowment	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 31 December 2021 are represented by:						
Investment properties	-	15,890,000	15,890,000	-	12,628,811	12,628,811
Investments	1,237,931	1,699,704	2,937,635	966,996	2,206,788	3,173,784
Current assets/(liabilities)	134,504	-	134,504	147,787	-	147,787
	<u>1,372,435</u>	<u>17,589,704</u>	<u>18,962,139</u>	<u>1,114,783</u>	<u>14,835,599</u>	<u>15,950,382</u>

16 Operating lease commitments

Lessor

The operating leases represent leases of varying terms to third parties. Some of the leases include a provision for periodic upward rent reviews according to prevailing market conditions.

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2021	2020
	£	£
Within one year	392,772	356,355
Between two and five years	847,952	999,395
In over five years	2,099,154	2,273,704
	<u>3,339,878</u>	<u>3,629,454</u>

17 Related party transactions

Transactions with related parties

P Rosier a trustee of the charity is a shareholder of Loveitts, the property management company. Loveitts charged management commission and fees of £86,434 (2020 - £98,492).

COVENTRY FREEMEN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18 Cash generated from operations	2021 £	2020 £
Surplus/(deficit) for the year	3,011,757	(331,170)
Adjustments for:		
Investment income recognised in statement of financial activities	(933,769)	(912,806)
Fair value gains and losses on investment properties	(2,535,698)	-
Fair value gains and losses on investments	(313,677)	182,634
Movements in working capital:		
Decrease in debtors	5,491	116,631
(Decrease) in creditors	(1,677)	(5,306)
Cash absorbed by operations	<u>(767,573)</u>	<u>(950,017)</u>

The Coventry Freeman's Charity

**c/o Azets Holdings Limited
3Mc Middlemarch Business Park
Siskin Drive
Coventry
CV3 4FJ**

Dafferns LLP
Chartered Accountants
One Eastwood
Harry Weston Road
Binley Business Park
Coventry
CV3 2UB

12th October 2022

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the charity's financial statements for the year ended 31 December 2021. These enquiries have included inspection of supporting documentation where appropriate. All representations are made to the best of our knowledge and belief.

General

- 1 We have fulfilled our responsibilities as trustees as set out in the terms of your engagement letter dated 14 April 2021, under the Charities Act 2011 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
- 2 All the transactions undertaken by the charity have been properly reflected and recorded in the accounting records.
- 3 All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charity, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with The Charity Commission.
- 4 The financial statements are free of material misstatements, including omissions.
- 5 The effects of uncorrected misstatements (as set out in the appendix to this letter) are immaterial both individually and in total.

Internal control and fraud

- 6 We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
- 7 We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
- 8 We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

Assets and liabilities

- 9 The charity has satisfactory title to all assets and there are no liens or encumbrances on the charity's assets, except for those that are disclosed in the notes to the financial statements.
- 10 All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
- 11 We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.

- 12 We are satisfied that all additions to and disposals of investments made in the year have been recognised in these financial statements.
- 13 Rent ledger arrears as at 31 December 2021 of £28,325 are considered to be collectable, none of which has been provided against as a bad debt.
- 14 No accrual is required for Change IT expenditure invoiced after the year-end relating to the refurbishment of 68/70 Albany Road.

Accounting estimates

- 15 The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

Legal claims

- 16 We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.

Law and regulations

- 17 We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Related parties

- 18 Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with legislative and accounting standards requirements.

Subsequent events

- 19 All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Going concern

- 20 We believe that the charity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the charity's ability to continue as a going concern need to be made in the financial statements.

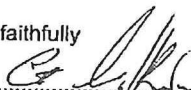
Grants and donations

- 21 All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully



Signed on behalf of the board of trustees

Date 13.10.2022

Coventry Freeman's Charity
Year ended 31 December 2021
Appendix 1 - Unadjusted differences

If corrected, adjustment would have the following effects:			
	Increase / (decrease) Balance	Increase / (decrease) in surplus	Unadjusted
Per statutory accounts	Sheet value 18,962,139	3,011,757	
No unadjusted differences in year			
	18,962,139	3,011,757	(-)

Coventry Freeman's Charity
Year ended 31 December 2021
Appendix 2 - Audit adjustments

	Surplus / deficit	Tax	Retained funds
Surplus / deficit per draft accounts	394,831		16,345,213
1 Property revaluation	2,535,698		2,535,698
2 Capitalisation of refurbishment costs	70,679		70,679
3 Increase in rent arrears owed	10,549		10,549
Surplus / deficit per statutory accounts	3,011,757		18,962,139