

Charity registration number 229237

**COVENTRY FREEMEN'S CHARITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

# COVENTRY FREEMEN'S CHARITY

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	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 Mr R Bansal Mr J Wilkinson Mr S J Rawson
<b>Charity number</b>	229237
<b>Registered office</b>	3Mc Middlemarch Business Park Siskin Drive Coventry CV3 4FJ
<b>Auditor</b>	Dafferns LLP Harry Weston Road Binley Business Park Coventry United Kingdom CV3 2UB
<b>Bankers</b>	HSBC 55 Corporation Street Coventry CV1 1QJ
<b>Solicitors</b>	Mander Hadley Limited Solicitors 1 The Quadrant Coventry West Midlands United Kingdom CV1 2DW
<b>Investment advisors</b>	Quilter Cheviot Ltd Provincial House 37 New Walk Leicester LE1 6TU United Kingdom

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# **COVENTRY FREEMEN'S CHARITY**

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# COVENTRY FREEMEN'S CHARITY

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2023

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The trustees present their annual report and financial statements for the year ended 31 December 2023.

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 2023 was 2,403. This was made up of Freemen and women 1,772, Widows 623, and special cases 8.

Payments made to pensioners totalled £525,812 which compares with £511,364 in 2022.

During the year no additional relief was granted (2022 - 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 £426,514 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 19 and there are no items requiring special attention.

##### **Fundraising Regulator Statement of Compliance**

Coventry Freeman'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 rental income of £11,668 (2022, £9,821) were written off during the year.



# COVENTRY FREEMEN'S CHARITY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### 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.

The Charity's investment managers are committed to responsible investment and consider social, environmental and ethical factors in their investment strategy.

#### 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 £1,760,472 in the unrestricted fund which are the free reserves and £17,592,252 on the endowment fund. The total funds held were £19,352,724. 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 2023**

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### **Trustees**

The trustees who served during the year were:

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

Mr R Bansal

Mr J Wilkinson

Mr S J Rawson

### **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: 12/7/2024

# **COVENTRY FREEMEN'S CHARITY**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 DECEMBER 2023***

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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

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#### Opinion

We have audited the financial statements of Coventry Freeman's Charity (the 'charity') for the year ended 31 December 2023 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 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; 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.

#### 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.

# COVENTRY FREEMEN'S CHARITY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF COVENTRY FREEMEN'S CHARITY

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#### **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 made 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 extent to which our procedures 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
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations
- 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 FRC'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

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#### 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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

Chartered Accountants  
Statutory Auditor

17 July 2024

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 section 1212 of the Companies Act 2006.

# COVENTRY FREEMEN'S CHARITY

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
<b><u>Income from:</u></b>							
Donations and legacies	3	70,000	-	70,000	-	-	-
Investments	4	1,099,198	-	1,099,198	972,731	-	972,731
<b>Total income</b>		<b>1,169,198</b>	<b>-</b>	<b>1,169,198</b>	<b>972,731</b>	<b>-</b>	<b>972,731</b>
<b><u>Expenditure on:</u></b>							
Charitable activities	5	897,232	-	897,232	871,387	-	871,387
<b>Net gains/(losses) on investments</b>	<b>9</b>	<b>72,574</b>	<b>81,974</b>	<b>154,548</b>	<b>(57,847)</b>	<b>(79,426)</b>	<b>(137,273)</b>
<b>Net movement in funds</b>		<b>344,540</b>	<b>81,974</b>	<b>426,514</b>	<b>43,497</b>	<b>(79,426)</b>	<b>(35,929)</b>
Fund balances at 1 January 2023		1,415,932	17,510,278	18,926,210	1,372,435	17,589,704	18,962,139
<b>Fund balances at 31 December 2023</b>		<b>1,760,472</b>	<b>17,592,252</b>	<b>19,352,724</b>	<b>1,415,932</b>	<b>17,510,278</b>	<b>18,926,210</b>

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 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Investment property	11	16,262,427		16,063,242	
Investments	12	2,789,953		2,728,147	
		<u>19,052,380</u>		<u>18,791,389</u>	
<b>Current assets</b>					
Debtors	14	51,317		45,889	
Cash at bank and in hand		292,219		129,204	
		<u>343,536</u>		<u>175,093</u>	
<b>Creditors: amounts falling due within one year</b>	15	(43,192)		(40,272)	
Net current assets			300,344		134,821
<b>Total assets less current liabilities</b>			<u>19,352,724</u>		<u>18,926,210</u>
<b>Capital funds</b>					
Endowment funds - general	16	17,592,252		17,510,278	
<b>Income funds</b>					
Unrestricted funds		1,760,472		1,415,932	
		<u>19,352,724</u>		<u>18,926,210</u>	

The financial statements were approved by the Trustees on 17/1/2024

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Trustee



# COVENTRY FREEMEN'S CHARITY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	21		(829,740)		(875,295)
<b>Investing activities</b>					
Investment income		1,000,564		880,728	
Income from listed investments		95,357		91,643	
Interest receivable		3,277		360	
Purchase of investment property		(199,185)		(173,242)	
Purchase of other investments		(343,658)		(460,010)	
Proceeds on disposal of other investments		436,400		532,225	
<b>Net cash generated from investing activities</b>			992,755		871,704
<b>Net cash used in financing activities</b>			-		-
<b>Net Increase/(decrease) in cash and cash equivalents</b>			163,015		(3,591)
Cash and cash equivalents at beginning of year			129,204		132,795
<b>Cash and cash equivalents at end of year</b>			292,219		129,204
<b>Analysis of cash and cash equivalents</b>					
Bank balances and short term deposits			292,219		129,204

# COVENTRY FREEMEN'S CHARITY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 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.

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.

Rental income from operating leases is recognised in the statement of financial activities on a straight-line basis over the lease term

# COVENTRY FREEMEN'S CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

(Continued)

##### 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 property

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.

##### 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.

# COVENTRY FREEMEN'S CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 1 Accounting policies

(Continued)

#### **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.

#### 1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 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.

### 3 Donations and legacies

	Unrestricted funds	Total
	2023 £	2022 £
Legacies received	70,000	-

# COVENTRY FREEMEN'S CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 4 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Rental income	1,000,380	880,544
Income from listed investments	95,357	91,643
Building leases	60	60
Acknowledgements	124	124
Interest receivable	3,277	360
	<u>1,099,198</u>	<u>972,731</u>

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

### 5 Charitable activities

	2023	2022
	£	£
Investment brokers	5,391	5,511
Commissions paid	82,853	73,845
Property repairs	123,300	117,812
Rates and water	1,971	12,050
Light and heat	3,929	2,571
Surveyors fees	37,209	34,834
Legal fees	12,672	21,311
Seniority payments	525,812	511,364
Insurance	44,102	37,962
Bad debt	11,668	9,821
	<u>848,907</u>	<u>827,081</u>
Share of support costs (see note 6)	26,755	23,654
Share of governance costs (see note 6)	21,570	20,652
	<u>897,232</u>	<u>871,387</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 2023

### 6 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Seniority software	480	-	480	360	-	360
Sundry expenses	2,817	-	2,817	697	-	697
Clerk and finance costs	14,880	-	14,880	14,280	-	14,280
Legal expenses	7,109	-	7,109	6,872	-	6,872
Bank charges	1,469	-	1,469	1,445	-	1,445
Audit fees	-	6,690	6,690	-	6,372	6,372
Clerk and finance costs	-	14,880	14,880	-	14,280	14,280
	<u>26,755</u>	<u>21,570</u>	<u>48,325</u>	<u>23,654</u>	<u>20,652</u>	<u>44,306</u>
Analysed between Charitable activities	<u>26,755</u>	<u>21,570</u>	<u>48,325</u>	<u>23,654</u>	<u>20,652</u>	<u>44,306</u>

Governance costs includes payments to the auditors of £6,690 (2022- £6,372) for audit fees.

### 7 Trustees

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor 2022.

#### Trustees' expenses

None of the trustees received any expenses in the year ended 31 December 2023 nor 2022.

### 8 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Clerk	<u>1</u>	<u>1</u>

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

# COVENTRY FREEMEN'S CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 9 Net gains/(losses) on investments

	Unrestricted funds	Endowment funds general	Total	Total
	2023	2023	2023	2022
	£	£	£	£
Revaluation of investments	72,574	81,974	154,548	(137,273)
<b>For the year ended 31 December 2022</b>	<b>(57,847)</b>	<b>(79,426)</b>		<b>(137,273)</b>

### 10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### 11 Investment property

	2023 £
<b>Fair value</b>	
At 1 January 2023	16,063,242
Additions through external acquisition	199,185
At 31 December 2023	16,262,427

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.

### 12 Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2023	2,728,147
Additions	343,658
Valuation changes	154,548
Disposals	(436,400)
At 31 December 2023	2,789,953
<b>Carrying amount</b>	
At 31 December 2023	2,789,953
At 31 December 2022	2,728,147

# COVENTRY FREEMEN'S CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

<b>13 Financial instruments</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	51,317	45,889
Equity instruments measured at fair value	2,789,953	2,728,147
	<u>          </u>	<u>          </u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	37,694	38,702
	<u>          </u>	<u>          </u>
<b>14 Debtors</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Other debtors	51,317	45,889
	<u>          </u>	<u>          </u>
<b>15 Creditors: amounts falling due within one year</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	5,498	1,570
Other creditors	26,568	27,609
Accruals and deferred income	11,126	11,093
	<u>          </u>	<u>          </u>
	43,192	40,272
	<u>          </u>	<u>          </u>

### 16 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 2022	Revaluations gains and losses	Balance at 1 January 2023	Revaluations gains and losses	Balance at 31 December 2023
£	£	£	£	£
17,589,704	(79,426)	17,510,278	81,974	17,592,252
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
17,589,704	(79,426)	17,510,278	81,974	17,592,252
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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 2023

#### 17 Analysis of net assets between funds

	Unrestricted	Endowment	Total Unrestricted	Endowment	Total
	2023	2023	2023	2022	2022
	£	£	£	£	£
Fund balances at 31 December 2023 are represented by:					
Investment properties	-	16,262,427	16,262,427	-	16,063,242
Investments	1,460,128	1,329,825	2,789,953	1,281,111	1,447,036
Current assets/(liabilities)	300,344	-	300,344	134,821	-
	<u>1,760,472</u>	<u>17,592,252</u>	<u>19,352,724</u>	<u>1,415,932</u>	<u>17,510,278</u>
					<u>18,926,210</u>

#### 18 Financial commitments, guarantees and contingent liabilities

Commitments of £56,938 (2022: nil) for a replacement roof on a property owned by the charity have been contracted but not provided for in the financial statements.

#### 19 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:

	2023	2022
	£	£
Within one year	472,631	373,901
Between two and five years	1,077,264	992,842
In over five years	2,369,138	2,472,782
	<u>3,919,033</u>	<u>3,839,525</u>

#### 20 Related party transactions

##### Transactions with related parties

During the year the charity entered into the following 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 £120,061 (2022 - £125,233).

At the balance sheet date, Loveitts owed the charity £1,640 (2022 - £0) in fee credits. Loveitts also hold £5,000 (2022 - £5,000) within a client account for the charity.

# COVENTRY FREEMEN'S CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

21	Cash generated from operations	2023	2022
		£	£
	Surplus/(deficit) for the year	426,514	(35,929)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(1,099,198)	(972,731)
	Fair value gains and losses on investments	(154,548)	137,273
	Movements in working capital:		
	(Increase) in debtors	(5,428)	(9,266)
	Increase in creditors	2,920	5,358
	Cash absorbed by operations	(829,740)	(875,295)
22	Analysis of changes in net funds		
		At 1 January 2023	Cash flows At 31 December 2023
		£	£
	Cash at bank and in hand	129,204	292,219
		129,204	292,219
		129,204	292,219