

EXMOUTH CHURCH INSTITUTE

**REPORT OF THE TRUSTEES
FOR THE YEAR TO 31 DECEMBER 2021**

CHARITY NO 251170

EXMOUTH CHURCH INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2021

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EXMOUTH CHURCH INSTITUTE

ANNUAL REPORT FOR THE YEAR TO 31 DECEMBER 2021

LEGAL AND CONSTITUTIONAL

The Exmouth Church Institute, The Parish Office, Rolle Road, Exmouth, is registered with the Charity Commissioners (No.251170) and constituted by Deed of Trust dated 19 May 1925 as extended by an order dated 12 March 1940.

TRUSTEES

Ex-Officio

Rev'd Steven C. Jones (Rector)
Mr. Michael Goom (Churchwarden) - until 27 July 2021
Mr. Martyn C Haley (Churchwarden)
Mr. Paul Stock (Churchwarden) - from 27 July 2021

Co-opted (appointed for terms of five years)

	Appointed	Retires
Mrs. Susan Carrahar	24 November 2021	23 November 2026
Mr. David Gingell	29 February 2020	28 February 2025
Miss Sally Parnell	23 July 2019	22 July 2024
Mr. Richard Ward	29 February 2020	28 February 2025

CLERK TO THE TRUSTEES

Mr V Eddy

BANKERS

National Westminster Bank Plc
Rolle Street
Exmouth, EX8 1HU

Central Board of Finance of the Church of England
Senator House, 85 Queen Victoria Street
London, EC4V 4ET

INDEPENDENT EXAMINER

James Bick, FCA
Bick Accountants Ltd
Chartered Accountants
18A Littleham Road
Exmouth, EX8 2QG

SOLICITORS

Everyys
Magnolia House
Church Street
Exmouth, EX8 1HQ

ORGANISATION

The Church Institute Trust of Littleham cum Exmouth is a Trust governed by a scheme of the Charity Commissioners of 19 May 1925 as affected by various subsequent schemes, the most recent being 21 August 1981. The charity has voluntary officers but no paid employees. The area of benefit of the Trust is restricted to furthering the religious and other charitable work of the Church of England in the Ecclesiastical Parish of Littleham-cum-Exmouth.

The Trust's registered office is The Parish Office, Holy Trinity Church, Rolle Road, Exmouth, EX8 2RA.

TRUSTEES

The Scheme of Arrangement provides for there to be seven Trustees, three being ex-officio, namely the Rector and Churchwardens of the Ecclesiastical Parish of Littleham-cum-Exmouth, and four co-opted Trustees.

By virtue of the Vestry Meeting dated 19 March 2003 pursuant to the Churchwardens Measure 2001, there are now four Churchwardens. It has been decided by the Churchwardens for the time being that only two will represent the Churchwardens as ex-officio Trustees of this Trust.

RECRUITMENT AND APPOINTMENT OF TRUSTEES

At its meeting on 5th December 2017, in accordance with the guidance recommended in Charity Commission document CC30 (Feb. 17 Ed.), the Trustees adopted a statement of policy in regard to the recruitment and appointment of Trustees as set out in Appendix A of that meeting. The Statement of Policy was further amended and additions adopted at a meeting on 8th December 2020.

OBJECTIVES AND ACTIVITIES

The objects of the Charity are to further the religious and other charitable work of the Church of England in the ecclesiastical parish of Littleham with Exmouth. This includes the maintenance of Church buildings used for public worship and other buildings relating thereto. The Trustees have had due regard to the Charity Commission guidance on public benefit.

ACHIEVEMENTS AND PERFORMANCE

The Trustees continue to manage the assets of the Trust in order to enable maintenance of the real property and the performance of the financial assets to ensure a balance between capital appreciation and income so as to sustain current and future objectives.

The Trustees have continued to respond to applications for grant assistance from:-

The PCC of Littleham-cum-Exmouth

The Beacon C of E (VA) School

Littleham C of E Junior and Infants School

Littleham Leisure Centre Management Committee (supported through the PCC)

The Open Door Project Exmouth

INVESTMENT POWERS AND POLICY WITH REGARD TO RESERVES

The Trustees are required to retain the permanent endowment, being the original property and the funds arising therefrom, and any interest and investment income earned on those funds which has been appropriated to capital. The Trustees, from time to time, ensure that the value attributed to the real property is professionally assessed and reflected in the balance sheet. Records available do not reveal any method or trail of decisions to prove the value of the permanent endowment. In 2014, in consultation with the Trust's Accountants and Independent Examiner, it was agreed that the value of the permanent endowment was fairly represented in the sum of £556,356, and that capital growth beyond that date be shown in a Revaluation Reserve which has not been shown as restricted. However, for some time there has been ongoing discussion by the Trustees regarding the recording of the status of this Reserve in the annual Statement of Accounts, where it has not specifically been declared as Restricted, although the value thereof all arises from the original Endowment. It is the opinion of the Trustees that this should be taken into account in the preparation of the 2021 statement.

It is the intention of the Trustees to ensure that, after making suitable cash reserves for demands that are known or may be expected to arise, the balance of funds not held as property should be invested for capital growth within the requirements of the current scheme subject to any amendments agreed by the Trustees.

Following the 2014 review of investments the Trust is currently able to generate at least £35,000 per annum. This may alter from year to year due to the impact of market changes on investment income and changes in rental income following periodic lease renewals. Apart from insurance and governance costs the balance annually is available for the provision of grants and the cost of any maintenance works to the premises over and above those for which the lessees of 33-35 Rolle Street are responsible under the terms of the current lease. During 2018 the Trustees considered a more specific split in the allocation of reserves by opening a Buildings Reserve Fund to receive annual contributions of £8,500. However, in order to maintain the present level of grant support, it has been agreed that, for the time being, no further transfers be made to this Fund.

The Trust's investment portfolio is managed by CCLA Investment Management Ltd and is held in a number of CBF Church of England Funds as shown in the annual balance sheet. The current portfolio was last reviewed by CCLA in May 2014 when substantial cash holdings were transferred into new investment accounts. The Trustees are aware that future reviews need to be undertaken on a regular basis.

RISK REVIEW

The Trustees regularly review the risk element of the various investments including the following aspects:-

1. That any tenant of the property owned by the Trust could encounter financial difficulties.
2. That any tenant may at any time give notice, within the terms of the lease, to terminate the lease.
3. That investments in the various Church Of England Funds may go down as well as up.

FUTURE FINANCIAL PROJECTIONS

The likely change in income or expenditure, subject to the risk elements identified above, may include:-

An increase in rent received following a rent review;
An increase in rent following renewal of the lease or the granting of a new lease;
Any increase or decrease in interest rates or dividends;
Any increase or decrease in the value of property or invested assets;
Any change in the above which will affect the income that the Trustees have available for grant distribution.

SAFEGUARDING

The Trustees are aware of the need to observe good practice on safeguarding. Under its present Scheme of Arrangement the Trust's objects and activities do not bring the Trustees or Officers in the conduct of their duties on behalf of the Trust into unattended contact with children or vulnerable adults.

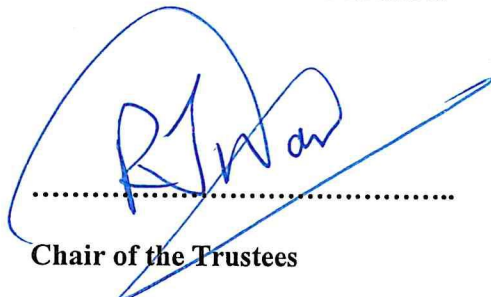
FINANCIAL REVIEW/CORONAVIRUS PANDEMIC

The Trust was, to a limited degree, affected by the national lock-down which was put in place by the Government on 16th March 2020 to protect the UK population against infection by the coronavirus, Covid-19. The negative affects were:-

- a. Initially there was a loss of rent on the premises at 33-35 Rolle Street, Exmouth for a period of three months. However, government funding schemes enabled the tenants to repay the overdue rent, in full, by 30th June 2020 and since then, all rental payments have been made in full.
- b. The restrictions had a negative effect upon the national economy resulting in a small reduction in the Trust's investment income as set out in the annual Statement of Accounts for 2020. Although investment income reduced slightly for the rest of the year, the impact did not affect the budgeted programme for 2020 and this has continued through 2021.
- c. The Trustees have set a cautious budget for 2022 and will continue to monitor changes in the economy for the future to ensure a balance between maintaining its grant funding while protecting its assets.

The Trust has again spent more than it's income but this has been offset by the unrealised gain on investments resulting in reserves increasing by £56,328.

For and on behalf of the Trustees


.....
Chair of the Trustees


.....
Date

EXMOUTH CHURCH INSTITUTE
INDEPENDENT EXAMINERS' REPORT

Independent Examiners' Report to the Trustees of the Exmouth Church Institute

I report on the accounts of the Exmouth Church Institute for the year ended 31 December 2021 which are set out on pages 6-9.

Responsibilities and basis of report

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

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

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



James Bick FCA
Independent Examiner
Bick Accountants Ltd
18A Littleham Road
Exmouth
EX8 2QG

12 September 2022

EXMOUTH CHURCH INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2021

RECEIPTS AND PAYMENT ACCOUNT

	Note	General Fund £	Restricted Fund £	Designated Fund £	Total 2021 £	Total 2020 £
Receipts						
Rent received	3	20,000	-	-	20,000	20,000
Insurance premiums received	4	3,710	-	-	3,710	692
Interest received	5	18	-	-	18	200
Investment income	6	16,081	-	-	16,081	16,083
Total receipts for the year		<u>39,809</u>	-	-	<u>39,809</u>	<u>36,975</u>
Payments						
Direct charitable expenditure	7	52,930	-	-	52,930	59,082
Property insurance	8	2,199	-	-	2,199	2,198
Professional Fees	9	-	-	-	-	-
Governance costs	9	990	-	-	990	870
Office costs	9	40	-	-	40	48
Building repairs and maintenance		-	-	-	-	1,037
Total payments for year		<u>56,159</u>	-	-	<u>56,159</u>	<u>63,235</u>
Net receipts/(payments) for the year		<u>(16,350)</u>	-	-	<u>(16,350)</u>	<u>(26,260)</u>
Realised gain on investments		-	-	-	-	1,344
Net movement in funds		(16,350)	-	-	(16,350)	(24,916)
Transfers between funds		-	-	-	-	-
Realised reserves at 1 January 2021		32,905	556,356	13,348	602,609	627,525
Realised reserves at 31 December 2021		<u>16,555</u>	<u>556,356</u>	<u>13,348</u>	<u>586,259</u>	<u>602,609</u>
Unrealised movement on revaluations						
Unrealised reserves at 1 January 2021		228,237	-	-	228,237	206,572
Gain on investments		72,678	-	-	72,678	21,665
Gain on revaluation of property		-	-	-	-	-
Unrealised reserves at 31 December 2021		<u>300,915</u>	-	-	<u>300,915</u>	<u>228,237</u>
Total reserves at 31 December 2021		<u>317,470</u>	<u>556,356</u>	<u>13,348</u>	<u>887,174</u>	<u>830,846</u>

EXMOUTH CHURCH INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2021

BALANCE SHEET

	Note	2021		2020	
		£	£	£	£
Freehold property investments	10				
33 Rolle Street		179,480		179,480	
35 Rolle Street		<u>100,520</u>		<u>100,520</u>	
			280,000		280,000
Other investments					
Central Board of Finance Investments	11	<u>563,755</u>		<u>491,077</u>	
			563,755		491,077
Bank balances					
National Westminster Bank Plc	12	24,988		41,338	
Central Board of Finance	13	<u>18,431</u>		<u>18,431</u>	
			43,419		59,769
Total Assets of Trust			<u><u>887,174</u></u>		<u><u>830,846</u></u>
REPRESENTED BY:					
General fund					
At 1 January 2021			32,905		65,284
Net receipts/(payments) for the year			(16,350)		(25,223)
Realised gain on investment			-		1,344
Transfers (to)/from Buildings Fund			-		(8,500)
At 31 December 2021			<u>16,555</u>		<u>32,905</u>
Endowed (restricted) fund					
At 1 January 2021			556,356		556,356
Net receipts for the year			-		-
(Depreciation)/appreciation in property valuation			-		-
At 31 December 2021			<u>556,356</u>		<u>556,356</u>
Buildings (designated) Fund					
At 1 January 2021			13,348		5,885
Net receipts/(payments) for the year			-		(1,037)
Transfers (to)/from General Fund			-		8,500
At 31 December 2021			<u>13,348</u>		<u>13,348</u>
Revaluation reserve					
At 1 January 2021			228,237		206,572
Net unrealised gains for the year			<u>72,678</u>		<u>21,665</u>
At 31 December 2021			<u>300,915</u>		<u>228,237</u>
Total reserve funds			<u><u>887,174</u></u>		<u><u>830,846</u></u>

EXMOUTH CHURCH INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2021

NOTES TO THE ACCOUNTS

1. Basis of Accounting

The Accounts have been prepared on the "receipts and payments basis" in accordance with the Charities Act 2011 section 133.

2. Freehold property investment valuations

The properties were revalued by independent chartered surveyors on 27 September 2017, these values have been used in the accounts. The properties are revalued every 5 years.

	2021	2020
	£	£
3. Rents received		
33 and 35 Rolle Street	20,000	20,000
4. Insurance premiums received		
33 and 35 Rolle Street	3,710	692
5. Interest received		
National Westminster Bank plc	-	-
Central Board of Finance Deposit Fund	18	200
	<u>18</u>	<u>200</u>
6. Investment income received		
Central Board of Finance Funds		
(1) Fixed Interest Fund	-	304
(2) Investment Fund 1	4,664	4,503
(3) Investment Fund 2	7,109	6,866
(4) Property Fund	4,308	4,410
	<u>16,081</u>	<u>16,083</u>
7. Direct charitable expenditure		
Littleham-cum-Exmouth PCC	50,674	56,582
Open Door Centre	-	2,500
Beacon C of E School	2,256	-
	<u>52,930</u>	<u>59,082</u>
8. Property insurance	2,199	2,198

EXMOUTH CHURCH INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2021

NOTES TO THE ACCOUNTS (CONTINUED)

	2021 £	2020 £
9. Miscellaneous payments		
Independent examiners fee	990	870
Printing, Stationery & Postage	40	48
Professional Fees	-	-
	<u>1,030</u>	<u>918</u>
10. Freehold Property Investments		
Professional valuation at 27 September 2017		
33 Rolle Street	179,480	179,480
35 Rolle Street	100,520	100,520
	<u>280,000</u>	<u>280,000</u>
11. C.B.F investments		
(4) Investment Funds Units - at market value		
At cost - £70,000	183,770	160,453
(5) Investment Funds - at market value		
At cost - £153,000	280,132	244,587
(6) Property Funds - at market value		
At cost - £80,000	99,853	86,037
	<u>563,755</u>	<u>491,077</u>
12. National Westminster Bank		
Current Account	24,988	41,338
	<u>24,988</u>	<u>41,338</u>
13. Central Board of Finance		
Deposit account	18,431	18,431
	<u>18,431</u>	<u>18,431</u>