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EXMOUTH CHURCH INSTITUTE

**REPORT OF THE TRUSTEES
FOR THE YEAR TO 31 DECEMBER 2022**

CHARITY NO 251170

EXMOUTH CHURCH INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2022

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EXMOUTH CHURCH INSTITUTE

ANNUAL REPORT FOR THE YEAR TO 31 DECEMBER 2022

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, and constituted by a scheme sealed by the Charity Commission on 21 August 1981.

TRUSTEES

Ex-Officio

Rev'd Steven C. Jones (Rector)
Mr. Martyn C Haley (Churchwarden until 27 April 2022)
Mrs Debbie Frost (Churchwarden) from 27 April 2022 until 3 October 2022
Mrs Diana West (Churchwarden) from 4 October 2022
Mr. Paul Stock (Churchwarden)

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 will continue 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 2022 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.

CORONAVIRUS PANDEMIC

The Trust was only affected to a limited degree 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. Following removal of the restrictions rental income has continued without any abatement and, subject only to termination of the lease, the present level of rental income should continue until the next lease review in 2024. Investment income has remained fairly level but there was a small increase in deposit income because of an ongoing rise in interest rates. Overall, the Trust suffered no adverse financial impact as a result of the pandemic restrictions and is in a position to continue making grants at historic levels. However, the Trustees will continue to be cautious when setting future budgets to ensure a continued balance between maintaining the level of grant funding while continuing to protect its assets.

GRANT FUNDING

In order to make the most effective and flexible use of its grant making capacity the Trust has agreed a new policy with the PCC of Littleham-cum-Exmouth, its main beneficiary. With effect from 1st January 2023, a new block grant arrangement will be approved annually with the PCC whereby the budgeted funding amount will be transferred to the PCC by quarterly payments throughout the year, to be used by the PCC strictly for the purposes set out in the Trust's Scheme of Arrangement, being "for the purpose of furthering the religious and other charitable work of the Church of England in the Ecclesiastical Parish of Littleham-cum-Exmouth." A formal agreement has been signed by both parties and payment will be made by equal instalments, quarterly throughout the year, commencing in 2023, and held by the PCC in a restricted fund. The PCC will submit a schedule of payments to the Trustees at the end of each financial year. Any unused balance may be held by the PCC for future use.

For and on behalf of the Trustees

.....
CHAIRMAN

16/ Jan 23
.....
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 2022 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

20 June 2023

EXMOUTH CHURCH INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2022

RECEIPTS AND PAYMENT ACCOUNT

	Note	General Fund £	Restricted Fund £	Designated Fund £	Total 2022 £	Total 2021 £
Receipts						
Rent received	3	20,000	-	-	20,000	20,000
Insurance premiums receivable	4	2,348	-	-	2,348	3,710
Interest received	5	123	-	-	123	18
Investment income	6	16,569	-	-	16,569	16,081
Total receipts for the year		<u>39,040</u>	<u>-</u>	<u>-</u>	<u>39,040</u>	<u>39,809</u>
Payments						
Direct charitable expenditure	7	25,680	-	-	25,680	52,930
Property insurance	8	2,348	-	-	2,348	2,199
Professional Fees	8	714	-	-	714	-
Governance costs	8	900	-	-	900	990
Office costs	8	-	-	-	-	40
Building repairs and maintenance		-	-	-	-	-
Total payments for year		<u>29,642</u>	<u>-</u>	<u>-</u>	<u>29,642</u>	<u>56,159</u>
Net receipts/(payments) for the year		<u>9,398</u>	<u>-</u>	<u>-</u>	<u>9,398</u>	<u>(16,350)</u>
Realised gain on investments		-	-	-	-	-
Net movement in funds		9,398	-	-	9,398	(16,350)
Transfers between funds		-	-	-	-	-
Realised reserves at 1 January 2022		16,555	0	13,348	29,903	602,609
Realised reserves at 31 December 2022		<u>25,953</u>	<u>0</u>	<u>13,348</u>	<u>39,301</u>	<u>586,259</u>
Unrealised movement on revaluations						
Unrealised reserves at 1 January 2022		300,915	556,356	-	857,271	228,237
Prior year adjustment	9	(40,000)	40,000	-	-	-
(Loss)/Gain on investments		(67,996)	-	-	(67,996)	72,678
Gain on revaluation of property		-	95,000	-	95,000	-
Unrealised reserves at 31 December 2022		<u>192,919</u>	<u>691,356</u>	<u>-</u>	<u>884,275</u>	<u>300,915</u>
Total reserves at 31 December 2022		<u>218,872</u>	<u>691,356</u>	<u>13,348</u>	<u>923,576</u>	<u>887,174</u>

EXMOUTH CHURCH INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2022

BALANCE SHEET

	Note	2022		2021	
		£	£	£	£
Freehold property investments	10				
33 Rolle Street		240,375		179,480	
35 Rolle Street		<u>134,625</u>		<u>100,520</u>	
			375,000		280,000
Other investments	11				
Central Board of Finance Investments		<u>495,759</u>		<u>563,755</u>	
			495,759		563,755
Total Investments			<u>870,759</u>		<u>843,755</u>
Current Assets					
Debtors	12	2,348		0	
Bank balances:	13	<u>50,469</u>		<u>43,419</u>	
Total Current Assets			52,817		43,419
Total Assets of Trust			<u><u>923,576</u></u>		<u><u>887,174</u></u>
REPRESENTED BY:					
General fund					
At 1 January 2022			16,555		32,905
Net receipts/(payments) for the year			9,398		(16,350)
Realised gain on investment			-		-
At 31 December 2022			<u>25,953</u>		<u>16,555</u>
Endowed (restricted) fund					
At 1 January 2022			556,356		556,356
Prior year adjustment	9		40,000		-
Appreciation in property valuation			<u>95,000</u>		<u>-</u>
At 31 December 2022			<u>691,356</u>		<u>556,356</u>
Buildings (designated) fund					
At 1 January 2022			13,348		13,348
Net receipts/(payments) for the year			-		-
At 31 December 2022			<u>13,348</u>		<u>13,348</u>
Revaluation reserve					
At 1 January 2022			300,915		228,237
Prior year adjustment	9		(40,000)		-
Net unrealised (losses)/gains for the year			<u>(67,996)</u>		<u>72,678</u>
At 31 December 2022			<u>192,919</u>		<u>300,915</u>
Total reserve funds			<u><u>923,576</u></u>		<u><u>887,174</u></u>

EXMOUTH CHURCH INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2022

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 31 January 2022, These values are shown in the accounts and the change in value posted to the Endowed (restricted) Fund. The properties are revalued every 5 years.

	2022	2021
	£	£
3. Rents received		
33 and 35 Rolle Street	20,000	20,000
4. Insurance premiums receivable		
33 and 35 Rolle Street	2,348	3,710
5. Interest received		
Central Board of Finance Deposit Fund	123	18
6. Investment income received		
Central Board of Finance Funds:		
Investment Fund 1	4,822	4,664
Investment Fund 2	7,351	7,109
Property Fund	4,396	4,308
	<u>16,569</u>	<u>16,081</u>
7. Direct charitable expenditure		
Littleham-cum-Exmouth PCC	20,680	50,674
Open Door Centre	5,000	-
Beacon C of E School	-	2,256
	<u>25,680</u>	<u>52,930</u>
8. Miscellaneous payments		
Property insurance	2,348	2,199
Independent examiners fee	900	990
Printing, Stationery & Postage	-	40
Professional Fees	714	-
	<u>3,962</u>	<u>3,229</u>

EXMOUTH CHURCH INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2022

NOTES TO THE ACCOUNTS (CONTINUED)

9. Prior Year Adjustment

During the year a review was carried out of the Endowed (restricted) fund. It was discovered that the 2017 increase in property valuation was incorrectly posted to the revaluation reserve instead of the Endowed (restricted) fund. The adjustment corrects the fund balances.

	2022 £	2021 £
10. Freehold Property Investments		
Professional valuation at 31 January 2022		
33 Rolle Street	240,375	179,480
35 Rolle Street	134,625	100,520
	<u>375,000</u>	<u>280,000</u>
11. C.B.F investments		
(4) Investment Funds Units - at market value		
At cost - £70,000	162,016	183,770
(5) Investment Funds - at market value		
At cost - £153,000	246,970	280,132
(6) Property Funds - at market value		
At cost - £80,000	86,773	99,853
	<u>495,759</u>	<u>563,755</u>
12. Debtors		
Insurance premiums receivable	<u>2,348</u>	<u>-</u>
13. Bank Balances		
National Westminster Bank:		
Current Account	32,038	24,988
Central Board of Finance:		
Deposit account	18,431	18,431
	<u>50,469</u>	<u>43,419</u>