

**ELMLEY LOVETT CHURCH, SCHOOL AND COMMUNITY TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

ELMLEY LOVETT CHURCH, SCHOOL AND COMMUNITY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr R Cartwright Mr J Goodwin Mrs J Goss Mr J Homer Mrs B Needham Mr N Wright Rev S Winter
Charity number	246410
Principal address	c/o Ryelands Farm Elmley Lovett Nr Droitwich Worcestershire WR9 0PT
Independent examiner	Frances Clapham FCA C/O CK Chartered Accountants No 4 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH
Solicitors	MFG Solicitors Tythe House 20-21 The Tything Worcester WR1 1HD

ELMLEY LOVETT CHURCH, SCHOOL AND COMMUNITY TRUST

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ELMLEY LOVETT CHURCH, SCHOOL AND COMMUNITY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report and financial statements for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Trust's deed, 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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The funds of the charity are for the benefit and support of the school at Cutnall Green, the maintenance of the Parish Church of Elmley Lovett and for the poor of that Parish as set out in the Trust's Governing Documents.

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

The Trust's properties were maintained.

The funds held in an investment portfolio managed by Rathbone Investment Management Limited are used to generate both income and capital growth.

During the year distributions were made in accordance with the terms of the Trust deed.

Achievements and performance

Financial review

Net incoming / (outgoing) resources before movement in market value of investments amounted to £(87,910) (2020: £35,847). The increase in market value of investments amounted to £521,856 (2020 decrease £278,088) resulting in total funds of £2,730,710 (2020: £2,296,764).

In the opinion of the Trustees the need for a designated repairs reserve that is maintained to allow for major unforeseen circumstances continues to remain at £10,000. It was also considered that maintaining a £5,000 level of reserve in the general purposes reserve is sufficient to meet the administrative expenditure of the Trust and is sufficient for 1 year's administration expenses.

The Trust operates a total return approach to the investment of the permanent endowment. In accordance with the terms of the Order made by the Charity Commission, the trustees confirm that:

in identifying the value of the portion of the permanent endowment that represented unapplied total return, the trustees first identified the value of the initial founding gift at July 2007;

when determining the amount of unapplied total return to transfer to income the trustees have considered the amount of income required to maintain the current level of charitable activity;

when reaching their decision as to the unapplied total return to transfer to income, the trustees have taken professional advice from their investment advisers regarding the market outlook, investment trends and yield and the prospect for future capital growth.

Our investment advisors (Rathbones) are instructed to invest to maximise the total return on permanent endowment funds within the constraints of a medium to low risk investment portfolio. The expendable endowment since 2007 has been managed as low to medium risk portfolio.

The trustees reviewed the policy for withdrawal of funds from the unapplied total return fund in 2016. The revised policy aims to maintain the real value of the permanent endowment in the medium term.

The Trustees have assessed the major risks to which the Trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

ELMLEY LOVETT CHURCH, SCHOOL AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

The Trust was established by a charitable trust deed on 3rd January 1871 subsequently amended by charitable deeds on 15th November 1907, 25 November 2008 and 21 December 2015.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Mr R Cartwright

Mr J Goodwin

Mrs J Goss

Mr J Homer

Mrs B Needham

Mr N Wright

Rev S Winter

The Trustees appointed to the board are members of the Parish or Parishes nearby who are involved in the Church and have the best interest of the community at heart. The day-to-day running of the charity is carried out by the board.

The Trust is run by the board of Trustees. MFG Solicitors attend meetings where relevant to ensure that the expenditure and distributions are in accordance with the trust deed.

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



Mrs B Needham

Trustee

27 January 2022

ELMLEY LOVETT CHURCH, SCHOOL AND COMMUNITY TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF ELMLEY LOVETT CHURCH, SCHOOL AND COMMUNITY TRUST

I report to the Trustees on my examination of the financial statements of Elmley Lovett Church, School and Community Trust (the Trust) for the year ended 31 March 2021.

Responsibilities and basis of report

As the Trustees of the Trust you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the Trust's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no 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 Trust as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements to be reached.



Frances Clapham FCA

No 4 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RH

Dated: 27 January 2022

ELMLEY LOVETT CHURCH, SCHOOL AND COMMUNITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds	Restricted funds	Endowment funds	Total 2021	Total 2020
	Notes	£	£	£	£	£
Income and endowments from:						
Investments	2	68,667	6	-	68,673	88,279
Other income	3	47	-	-	47	-
Total income		68,714	6	-	68,720	88,279
Expenditure on:						
Charitable activities	4	22,907	133,723	-	156,630	52,432
Net (losses)/gains on investments	8	-	-	521,856	521,856	(278,088)
Net incoming/(outgoing) resources before transfers		45,807	(133,717)	521,856	433,946	(242,241)
Gross transfers between funds	9	(45,807)	45,807	-	-	-
Net movement in funds		-	(87,910)	521,856	433,946	(242,241)
Fund balances at 1 April 2020		14,718	129,108	2,152,938	2,296,764	2,539,005
Fund balances at 31 March 2021		14,718	41,198	2,674,794	2,730,710	2,296,764

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

All income and expenditure derive from continuing activities.

ELMLEY LOVETT CHURCH, SCHOOL AND COMMUNITY TRUST

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investment properties	10	517,000		517,000	
Investments	11	2,159,618		1,637,762	
		<u>2,676,618</u>		<u>2,154,762</u>	
Current assets					
Cash at bank and in hand		131,886		212,346	
Creditors: amounts falling due within one year	13	<u>(77,794)</u>		<u>(70,344)</u>	
Net current assets			54,092		142,002
Total assets less current liabilities			<u>2,730,710</u>		<u>2,296,764</u>
Capital funds					
Endowment funds including UTR Fund		2,674,794		2,152,938	
Income funds					
Restricted funds	14	41,198		129,108	
Unrestricted funds		14,718		14,718	
		<u>2,730,710</u>		<u>2,296,764</u>	

The accounts were approved by the Trustees on 27 January 2022



Mrs B Needham
Trustee

ELMLEY LOVETT CHURCH, SCHOOL AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Elmley Lovett Church, School and Community Trust is a charitable trust governed by a trust deed approved by the Charity Commission merging the Elmley Lovett Church School Poor Estate charity and Elmley Lovett Educational Foundation, and came into force on 21 December 2015.

1.1 Accounting convention

The accounts have been prepared in accordance with the above governing scheme, 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)" (as amended for accounting periods commencing from 1 January 2016). The Trust is a Public Benefit Entity as defined by FRS 102.

The Trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 Trust. Monetary amounts in these financial statements are rounded to the nearest £.

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

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

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 accounts.

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

1.4 Income

Income is recognised when the Trust 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 Trust 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.

ELMLEY LOVETT CHURCH, SCHOOL AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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

1.5 Expenditure

Charitable activity costs includes the direct costs of the activities of the Charity.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost and subsequently measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

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.

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.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction.

Derecognition of financial liabilities

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

2 Investments

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	Restricted funds 2020 £	Total 2020 £
Rental income	15,100	-	15,100	-	15,100
Investment income	53,567	-	53,567	-	73,148
Interest receivable	-	6	6	31	31
	<u>68,667</u>	<u>6</u>	<u>68,673</u>	<u>31</u>	<u>88,279</u>

ELMLEY LOVETT CHURCH, SCHOOL AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Other income

	Unrestricted funds 2021 £	Total 2020 £
Other income	47	-

4 Charitable activities

	2021 £	2020 £
Insurance	842	796
Repairs and Maintenance	1,402	334
Elmley Lovett PCC	17,450	23,383
Educational Foundation and Relief in Need Grants	133,723	25,563
	<u>153,417</u>	<u>50,076</u>
Share of governance costs (see note 5)	3,213	2,356
	<u>156,630</u>	<u>52,432</u>

5 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Legal and professional	-	1,401	1,401	-	544	544
Agents Fees	-	1,812	1,812	-	1,812	1,812
	<u>-</u>	<u>3,213</u>	<u>3,213</u>	<u>-</u>	<u>2,356</u>	<u>2,356</u>
Analysed between Charitable activities	-	3,213	3,213	-	2,356	2,356

Included in governance costs above is £1,440 (2020: £1,434) for Independent Examiners fees.

6 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year.

7 Employees

There were no employees during the year.

ELMLEY LOVETT CHURCH, SCHOOL AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Net gains/(losses) on investments

	2021 £	2020 £
Fair value adjustment of investments	521,856	(278,088)

9 Transfers

There has been a transfer of £45,807 from unrestricted funds to restricted funds during the year. This represents the distribution of the monies due to the Poor Fund (£15,269) and the Educational Foundation (£30,538) and is held as a restricted fund.

10 Investment property

	2021 £
Fair value	
At 1 April 2020 and 31 March 2021	517,000

Investment property comprises Bearcroft Field and Church Cottage. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 January 2016 by John Andrews of Dolittle and Dalley FRICS, who is not connected with the Trust. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

The Trustees are of the opinion that the valuation of investment property has not materially changed during the year.

11 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2020	1,637,762
Valuation changes	521,856
At 31 March 2021	2,159,618
Carrying amount	
At 31 March 2021	2,159,618
At 31 March 2020	1,637,762

ELMLEY LOVETT CHURCH, SCHOOL AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Fixed asset investments

(Continued)

	2021 £	2020 £
Investments at fair value comprise:		
Fixed Interest	35,280	41,055
UK Equities	1,209,045	858,490
Overseas	658,899	463,711
Alternative Markets	107,943	75,435
Cash	68,405	73,604
Bonds	80,046	125,467
	<u>2,159,618</u>	<u>1,637,762</u>

12 Financial instruments

Carrying amount of financial assets

Equity instruments measured at cost less impairment	<u>2,159,618</u>	<u>1,637,762</u>
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Carrying amount of financial liabilities

Measured at amortised cost	<u>77,794</u>	<u>70,344</u>
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13 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	75,569	68,119
Accruals and deferred income	2,225	2,225
	<u>77,794</u>	<u>70,344</u>

ELMLEY LOVETT CHURCH, SCHOOL AND COMMUNITY TRUST

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

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2019 £	Movement in funds			Movement in funds			Balance at 31 March 2021 £
		Incoming resources £	Resources expended £	Transfers £	Incoming resources £	Resources expended £	Transfers £	
Poor Fund	30,330	5	-	20,460	1	(50,742)	15,269	15,323
Educational Foundation	62,931	26	(25,563)	40,919	5	(82,981)	30,538	25,875
	93,261	31	(25,563)	61,379	6	(133,723)	45,807	41,198

15 Analysis of net assets between funds

	Unrestricted funds 2021 £		Restricted Endowment funds 2021 £		Total Unrestricted funds 2021 £		Restricted Endowment funds 2020 £		Total 2020 £	
Fund balances at 31 March 2021 are represented by:										
Investment properties	-		-	517,000		517,000	-	517,000		517,000
Investments	41,947		-	2,117,671		2,159,618	-	1,595,815		1,637,762
Current assets/(liabilities)	(27,229)		41,198	40,123		54,092	129,108	40,123		142,002
	14,718		41,198	2,674,794		2,730,710	129,108	2,152,938		2,296,764

ELMLEY LOVETT CHURCH, SCHOOL AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Unapplied Total Return

The charity has been granted the investment power of total return by the Charity / exercised its rights by the Trustees under section 104(A) of the Charities Act 2011 on 30 January 2016. This power permits the trustees to invest permanently endowed funds to maximise total return and therefore to apply an appropriate portion of the unapplied total return to income. The unapplied total return remains invested as part of the permanent endowment until that power is exercised. When exercised it allows the trustees to apply an appropriate portion of the unapplied total return to income each year.

	Endowment for investment	Unapplied Total Return	Total Endowment
At 1 April 2019	1,724,128	706,898	2,431,026
Movements			
Gains / (losses) 2020		(278,088)	(278,088)
Total 31 March 2020	1,724,128	428,810	2,152,938
At 1 April 2020	1,724,128	428,810	2,152,938
Movements			
Gains / (losses) 2021		521,856	521,856
Total 31 March 2021	1,724,128	950,666	2,674,794

17 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

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