

THE PAROCHIAL CHARITY

REGISTERED NUMBER 515251

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

THE PAROCHIAL CHARITY
REGISTERED NUMBER 515251
CONTENTS OF THE FINANCIAL STATEMENTS

	Page
Legal and Administrative Details	1
Trustees Report	2 - 3
Statement of Financial Activities	4
Balance Sheet	5
Notes to the Accounts	6 – 11
Independent Examiner's Report	12

THE PAROCHIAL CHARITY

LEGAL AND ADMINISTRATIVE DETAILS.

Registered Charity Number:
515251

Principal Address (that of the Clerk to the Trustees, Mrs S.Heap):

Cedar Lawns,
Forties Lane,
Smisby,
Ashby-de-la-Zouch,
Leicestershire.
LE65 2SN

Trustees:

Mr J.W.Barnes
Mr S.J.Barnett
Miss C Hynam
Mr R Hounslow

Bank:

CAF Bank Ltd.,
25, Kings Hill Avenue,
Kings Hill,
West Malling,
Kent.
ME19 4TA

Independent Examiner:

L Frost ACCA
ADS Accountancy Limited
Chartered Certified Accountants,
7 Faraday Court,
First Avenue,
Burton on Trent,
Staffordshire
DE14 2WX

THE PAROCHIAL CHARITY

REGISTERED NUMBER 515251

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

1 Structure, Objectives and Activities for the Public Benefit

The Trustees of the Parochial Charity operate under their Trust Deed dated January 1982 and hereby submit their Report and Accounts for the financial year ended 31st March 2019. The Trustees abide by the Financial Reporting Standard for Smaller Entities (FRSSE) published on 16 July 2014 and the Charities Act 2011.

The objects of the Charity are defined in its Trust Deed and its discretionary expenditure is all within the terms stated in that deed; all other expenditure relates to the management and administrative requirements of the Charity, including the fees payable to its professional advisers. The Charity was first endowed in 1794 and has undergone many changes, the latest being in 2005 when most of its endowed lands were sold, to conform with local planning authority requirements for an area which included the Charity owned land. This endowed land was sold for a sum of £2,360,000 but the monies were not received in full until 2009. These capital funds have grown to £2,672,185 by 31st March 2019, and cannot themselves be spent, but are invested to yield disposable income.

Half of the annual disposable income (less half of unavoidable and allowable expenditure) passes to the Church Charity; this latter charity reporting separately on its activities. The Parochial Charity operates with four trustees, two being nominative trustees (those nominated by Smisby Parish Council) and two are co-optative trustees, being co-opted by the Charity as required from time to time, as being individuals having a good knowledge of Smisby, as defined in the Trust Deed.

The trustees endeavour to concentrate their discretionary expenditure on projects that bring benefit to the greatest number of residents living in Smisby Parish. Christmas hampers were given to pensioners, grants made to students in tertiary education and book tokens given to children living in the Parish. A grant was made to Smisby Women's Institute to allow them to have subsidised educational visits to both Buckingham Palace and Chatsworth House.

A Christmas party was funded, and this started with carols in church and the switching on of the Christmas tree lights and followed by an excellent hog roast supper in the Village Hall and Santa giving presents to the children. The whole event was very well received by the residents attending - as was a BBQ for residents to celebrate 1000 years (approx!) since a community became established on the site of the current Smisby village.

2 Governance

The Charity's Land Agent (Fisher German) has not been able to advise on the purchase of further agricultural land in the area, none having come to the market at sensible prices. Our Financial Advisers (Clear Solutions in Hilton, Derbyshire) oversee Charity investments. Our accountants are ADS Accountancy of Burton on Trent who prepared and independently examined these 2018/2019 accounts from data supplied by the clerk to the Charity.

The Charity accounts for this and earlier years can be seen on-line via the Charity Commission's website. The activities of the Charity are normally reported on a quarterly basis using the medium of the Parish Newsletter, published by the Parish Council and distributed to every house in the parish. Suggestions are regularly sought from residents for new projects that can benefit the local community - using this same means of communication - and an annual report was prepared for the Parish Council summarising the activities of the Charity in the preceding year.

3 Management

The trustees normally meet six times a year but more or less frequently than this, according to circumstance. At these meetings, trustees discuss possible future projects together with progressing projects that have previously been agreed, together with assessing associated expenditure. Capital investments are also reviewed on a regular basis. In minor instances of project or investment discussion, agreement (or otherwise) and final approval, is sought through e-mail between all trustees without the need for a formal meeting.

Support for community projects or for individuals is only offered where assistance from the public purse, by grants or other sources of public funding, is not available or has proved inadequate. Ad hoc meetings between the trustees and their advisers are held as and when appropriate, in addition to a formal annual review of investments with Clear Solutions.

4 Financial Review

The financial year 2018 - 2019 saw a somewhat reduced level of discretionary expenditure as projects were completed, but with no major new projects being initiated. Income proved to remain steady however which led to an increase in disposable reserves held by the Charity.

In the last 2 or 3 years sums of accumulated disposable revenue have been diverted into term deposits and wrongly categorised as endowed capital on deposit and this has appeared to reduce disposable cash reserves. In order to regularise the situation, £27,000 has now been re-designated and properly shown as part of our revenue account. In the accounts for 18 / 19 our income will be seen to have increased slightly, and our expenditure reduced. Together with the £27,000 now correctly shown as revenue, this has resulted in our disposable reserves increasing to £116,962.


5 Investment Policy and Performance

Following the advice of our financial advisers, the Trustees worked through the year in producing a new edition of its Investment Policy Statement but this work is not yet complete with input now sought from our advisers. The endowed capital of the Charity is invested in agricultural land and in equity related funds with the remainder being on deposit, largely in 'term bonds' in the 'best buy' category available from time to time. These deposits are always with banks and building societies that operate within the FSCS framework which now gives guarantees for sums up to £85,000. Cash capital deposit recommendations are approved by our financial advisers before being implemented by the trustees. Equity related investments are usually longer term and form the major part of the annual financial review with Clear Solutions. During the year, equity sales and purchases are generally discussed and agreed (or otherwise) following recommendations from our financial advisers. The Charity did not embark on significant switches from cash on deposit to equity related investments in view of uncertainties in the investment market, which is likely to be ongoing.

The Charity's investment in land remains unchanged as our Land Agent has not been able to recommend any suitable land for possible purchase, at least not with sufficient potential to make it attractive to the Trustees. Our investment in agricultural land is still valued at cost price in the accounts, but the first formal revaluation will be commissioned in 2020.

6 Reserves Policy

The trustees have continued to adopt a flexible approach to the maintenance of disposable reserves. After allowing for the fact that half the net Charity income passes to the Church Charity each year, our capital generally yields around £25,000 per annum, part of which meets the professional fees that are incurred but leaves an excellent margin for the Charity to maintain the established and traditional expenditure that benefits Smisby Parish residents. It has been convenient to allow our disposable reserves to build up steadily over the past few years, in order to allow the Charity to undertake one or more significant projects in the future.


.....
(On behalf of the trustees)

Dated: 27th January 2020

THE PAROCHIAL CHARITY

**Statement of Financial Activities
For the year ended 31st March 2019**

	Note	General Funds	Endowment Funds	Total 2019	Total 2018
INCOMING RESOURCES	2				
Investment Income		397	24,430	24,827	26,666
Other Incoming Resources		5,613	-	5,613	-
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL INCOMING RESOURCES		£ 6,010	£ 24,430	£ 30,440	£ 26,666
		<hr/>	<hr/>	<hr/>	<hr/>
RESOURCES EXPENDED	3				
Charitable expenditure:					
Grants payable		9,615	-	9,615	19,698
Management and administration		4,935	-	4,935	4,847
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL RESOURCES EXPENDED		£ 14,550	£ -	£ 14,550	£ 24,545
		<hr/>	<hr/>	<hr/>	<hr/>
NET INCOMING RESOURCES BEFORE TRANSFERS		(8,540)	24,430	15,890	2,121
Transfers between funds		22,119	(22,119)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
NET INCOMING RESOURCES BEFORE GAINS ON INVESTMENTS		13,579	2,311	15,890	2,121
Net gains/(losses) on revaluation and disposal of investments		-	565	565	20,766
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		13,579	2,876	16,455	22,887
Total funds at 1 st April 2018		103,383	2,642,309	2,745,692	2,722,805
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds at 31st March 2019		£ 116,962	£ 2,645,185	£ 2,762,147	£ 2,745,692
		<hr/>	<hr/>	<hr/>	<hr/>

THE PAROCHIAL CHARITY

Balance Sheet as at 31st March 2019

	Note	2019	2018
FIXED ASSETS			
Tangible assets	6	437,090	437,090
		<hr/>	<hr/>
		437,090	437,090
CURRENT ASSETS			
Debtors and prepayments	7	-	-
Investments	8	2,227,838	1,932,560
Cash at bank and in hand		103,958	380,442
		<hr/>	<hr/>
		2,331,796	2,313,002
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	9	6,739	4,400
		<hr/>	<hr/>
NET CURRENT ASSETS		2,325,057	2,308,602
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,762,147	2,745,692
LONG TERM LIABILITIES			
Creditors: Amounts falling due after more than one year		-	-
		<hr/>	<hr/>
NET ASSETS		£ 2,762,147	£ 2,745,692
		<hr/>	<hr/>
CAPITAL FUNDS			
Endowment	12	2,672,185	2,647,596
INCOME FUNDS			
General fund	12	89,962	98,096
		<hr/>	<hr/>
		£ 2,762,147	£ 2,745,692
		<hr/>	<hr/>

Approved by the Trustees on 27th January 2020 and signed on its behalf by



The analysis of net assets between funds can be found on note 10. The notes on pages 5 to 9 form part of these accounts.

THE PAROCHIAL CHARITY
Notes to the Accounts
for the year ended 31st March 2019

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with FRS102. The financial statements have also been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' Published in 2015.

The accounts have been prepared under the historical cost convention, with the exception that investments are valued at market value.

Donations, legacies and similar incoming resources

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

Investment income

Income from quoted investments and interest on short term deposits is accounted for in the year in which it is receivable.

Rental income is included in the period to which it relates. Amounts received in advance are deferred to the following period.

Tangible fixed assets and depreciation

Land is included at a valuation and no provision for depreciation has been made as it is considered that market value is not less than original cost.

Allocation of expenditure

For accounting purposes expenditure is allocated as follows:

Grants Payable

Grants payable are charged in full in the year in which they are awarded.

Management and administration

All other expenditure arising from the management and administration of the charity.

Funds Accounting

The funds held by the charity are categorised as follows;

General Funds

These are funds which the trustees are free to use in accordance with the objects of the charity as set out in its governing document. Designated funds are amounts which have been set aside at the discretion of the trustees for a specific purpose in the future. Trustees have the power to reallocate these funds until such time as they have been expended. Reserves are the general funds which have not been designated.

Endowment Funds

These funds must be retained by the charity and cannot be spent. The income generated from the assets held in these funds is first applied to the cost of maintaining those assets. Surplus income is available for expenditure by the trustees in accordance with the objects of the charity after the fulfilment to pay half income less half costs to the church charity.

THE PAROCHIAL CHARITY

Notes to the Accounts for the year ended 31st March 2019

2. INCOMING RESOURCES

	General Funds	Endowment Funds	Total 2019	Total 2018
Investment Income				
Rental income	310	16,578	16,888	16,888
Dividends and interest	87	32,283	32,370	35,984
Church Charity share of income	-	(24,431)	(24,431)	(26,206)
	-----	-----	-----	-----
	£ 397	£ 24,430	£ 24,827	£ 26,666
	=====	=====	=====	=====

	General Funds	Endowment Funds	Total 2019	Total 2018
Other Income				
Other income	5,613	-	5,613	220
Church Charity share of income	-	-	-	(110)
	-----	-----	-----	-----
	£ 5,613	£ -	£ 5,613	£ 110
	=====	=====	=====	=====

3. RESOURCES EXPENDED

	General Funds	Endowment Funds	Total 2019	Total 2018
Charitable giving				
Events:				
Christmas hampers	2,580	-	2,580	2,250
Village events	2,858	-	2,858	2,002
Village projects	1,402	-	1,402	13,749
Book Tokens	440	-	440	397
Donation to Women's Institute	650	-	650	600
Grants for students	1,685	-	1,685	500
Retirement Gift	-	-	-	200
	-----	-----	-----	-----
	£ 9,615	£ -	£ 9,615	£ 19,698
	=====	=====	=====	=====

THE PAROCHIAL CHARITY

Notes to the Accounts for the year ended 31st March 2019

3. RESOURCES EXPENDED

Management and administration	Endowment Funds	General Funds	Total 2019	Total 2018
Insurance	-	894	894	913
Honorarium	-	925	925	800
Accountancy	-	2,394	2,394	2,394
Legal fees	-	-	-	-
Professional fees	-	4,525	4,525	4,525
Postage	-	3	3	58
Miscellaneous	-	-	-	-
Bank interest and charges	-	131	131	132
Church Charity contribution to costs	-	(3,937)	(3,937)	(3,975)
	-----	-----	-----	-----
	£ -	£ 4,935	£ 4,935	£ 4,847
	=====	=====	=====	=====

4. TRUSTEES' EXPENSES

The Trustees received reimbursement of expenses totalling £Nil (2018: £Nil)

Trustees do not receive any remuneration from the charity.

5. STAFF COSTS

There were no employees during the year.

6. TANGIBLE FIXED ASSETS

	Land
Cost or valuation	
At 1 st April 2018	437,090
Additions	-
Disposals	-

At 31 st March 2019	£437,090
	=====

THE PAROCHIAL CHARITY
Notes to the Accounts
for the year ended 31st March 2019

7. DEBTORS AND PREPAYMENTS

Amounts falling due within one year	2019	2018
Church debtor (Creditor this year)	£ -	£ -
	=====	=====

8. INVESTMENTS

	2019	2018
<u>Long Term</u>		
Shares/investments held within Transact	565,963	245,397
COIF Investment Fund	62,671	62,671
Charifund M & G	47,540	47,540
Cazenove Investment Trust	60,623	60,623
Newton Global Growth Trust	64,130	64,130
Seven Investment	229,769	229,769
Brewin Dolphin	221,294	221,294
<u>Current Holdings</u>		
Shawbrook Bank	75,000	75,000
COIF Charities Deposit Fund	10,000	30,000
Julian Hodge Bank	125,000	125,000
Secure Trust Bank	250,000	250,000
Market Harborough Building Society	75,900	75,900
Hampshire Trust	75,000	-
Cambridge and Counties Bank	139,948	143,503
United Trust Bank	75,000	75,000
Close Bros	75,000	76,733
Cater Allen	75,000	75,000
Charity Bank	-	75,000
	-----	-----
	£2,227,838	£ 1,932,560
	=====	=====

THE PAROCHIAL CHARITY

Notes to the Accounts for the year ended 31st March 2019

9. CREDITORS

Amounts falling due within one year	2019	2018
Accruals and deferred income	3,495	3,170
Church creditor	3,244	1,230
	-----	-----
	£ 6,739	£ 4,400
	=====	=====

10. GENERAL FUNDS

General funds represent the accumulated income of the charity which can be applied in furtherance of the objects of the charity at the discretion of the trustees.

11. INVESTMENTS

During the year 2015/16 investments matured before the year end which were not reinvested prior to the 31st March 2016. These funds were kept within the revenue bank account and over the subsequent years, movements recorded, and the funds were split accordingly between revenue and capital on page 11.

During 2018/19, the charity over invested revenue funds by £27,000. This only came to light since the financial year end and will be corrected by the trustees in 2019/20. To ensure this is correctly dealt with within the financial statements, Endowment cash at bank has been decreased by £27,000 on page 11 and this has been added to the Revenue cash at bank. This is solely to correct the split of funds and has no impact on the actual cash held at bank totalling £103,958.

THE PAROCHIAL CHARITY
Notes to the Accounts
for the year ended 31st March 2019

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds	Endowment Funds	Total
Tangible fixed assets			
Car park and farm land	-	437,090	437,090
	-----	-----	-----
	-	437,090	437,090
	-----	-----	-----
Current assets			
Debtors and prepayments	-	-	-
Investments	-	2,227,838	2,227,838
Cash at bank and in hand	123,701	(19,743)	103,958
	-----	-----	-----
	123,701	2,208,095	2,331,796
	-----	-----	-----
Current liabilities			
Creditors: Amounts falling due within one year	(6,739)	-	(6,739)
	-----	-----	-----
	(6,739)	-	(6,739)
	-----	-----	-----
Long term liabilities			
Creditors: Amounts falling due after more than one year	-	-	-
	-----	-----	-----
	-	-	-
	-----	-----	-----
Net assets	£ 116,962	£ 2,645,185	£ 2,762,147
	=====	=====	=====

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PAROCHIAL CHARITY

I report on the accounts of the Charity for the year ended 31 March 2019 which are set out on pages 3 to 10.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

ADS ACCOUNTANCY LTD

*Mr L Frost ACCA
Of ADS Accountancy Limited*

7 Faraday Court
First Avenue
Burton on Trent
Staffordshire
DE14 2WX

Date: *30/01/2020*