

TRUSTEES OF RIVINGTON CHAPEL

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2017

Registered Charity Number:

240302

Registered Charity Name:

RIVINGTON PRESBYTERIAN CHAPEL (TRUST PROPERTY HELD IN CONNECTION WITH)

RIVINGTON PRESBYTERIAN CHAPEL TRUST

Registered Charity Number 240302

Date of Registration 03/05/1965

Operating as Rivington Chapel Trust

| | | Attendance |
|-----------|---------------|------------|
| Chairman | A R Horrocks | (2) |
| Secretary | P C Bearon | (2) |
| Treasurer | M Hough | (2) |
| Trustees: | | |
| | F Ascroft | (2) |
| | M E Brownlow | (0) |
| | P Fairclough | (2) |
| | Mrs O Fisher | (2) |
| | C Haighton | (2) |
| | C Martin | (2) |
| | V McCully | (2) |
| | C Oldham | (1) |
| | Mrs C Worsley | (1) |

During the year the Manchester District Association of Unitarians Cheshire (Inc) continued to act as the custodian trustee.

Report of the Trustees for the year ended 31 December 2017

The Trustees present their report together with the Accounts of the Charity for the year ended 31 December 2017. The Accounts have been prepared on an historical cost basis and reviewed by an independent person so as to comply with the Charity's Constitution and applicable law.

1. Constitution & Objects

During the year the Governing Document comprises the Indenture drawn up on the 15 June 1704 together with subsequent deeds of trust, conveyances and indenture. The Object of the Charity is the management of the fabric of Rivington Chapel and the associated grounds and buildings, namely the burial area, Garden of Remembrance and the former Sunday school to enable religious worship in accordance with the philosophy of the General Assembly of Unitarian and Free Christian Churches and other related activities to continue.

2. Public Benefit Statement

The Trustees have had regard to the Charity Commission guidance on public benefit. In pursuit of the Objects of the Trust, the Trustees provide a place of worship for all to attend.

3. Organisation

The Trust operates as an unincorporated association and new trustees are appointed on the occasion of retirement and/or death of existing trustees, with a new Deed of Retirement and Appointment being drawn up as required.

The names of the Trustees who have served during the year are set out on the front cover of the Report and Accounts.

During the year 2 meetings of the Trustees were held. Figures in brackets indicate attendance.

4. Financial Review

The operating deficit before revaluation of the stock market investments was £4,049 (2016: £13,041). The revaluation of investments showed a gain of £5,586 (2016: £6,903) to show an overall surplus of £ 1,537 (2016: deficit of £6,138).

5. 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 may be taken to reduce and/or lessen those risks.

6. Management & Governance

Whilst the Governing Document does not provide for a maximum or minimum number of managing trustees, the Trustees are empowered to fill any vacancies. The Chairman of the Trustees is responsible for the induction of any new trustees including awareness of the duties of a Trustee, the Governing Document, procedures and the historical and philosophical approach of the Charity. The Trustees make use of professional advisers and approved contractors* whenever advice and work is required to manage investments and maintain the buildings and grounds.

*see Appendix 1 for list

7. Reserves

There are no designated or restricted funds ie endowments, those that have existed in the past have been absorbed into the current charity after all the provisions have been discharged. The Trustees have pursued a policy of spending on repairs and maintenance of the buildings and grounds in support of the Congregational Committee to continue the traditions and presence of Unitarianism in Rivington. Where there is a shortfall between income and expenditure then only sufficient investments have been sold to cover the immediate requirement. Surplus funds are invested at an agreed level of risk to preserve capital values and generate income.

Appendix 1

- 1/ M & G Securities Ltd – investment managers.
- 2/ Quilter Cheviot Ltd – broker and adviser.
- 3/ IWA Architects – conservation architect.
- 4/ Thomas V Shaw Ltd – surveyors and valuers.
- 5/ D Edwards Insurance Brokers Ltd – insurance broker.
- 6/ Weightmans LLP – solicitors.
- 7/ Adlington Electrical Ltd – electrical contractor, inspections and PAT.

Rivington Chapel Trust: Chairman's Review 2017

During this last year, we have managed to build on the successes of the previous year (2016), which included the completion of our Quinquennial Survey & Report prepared by IWA Architects, installation of new storage and pew heaters, the award of a grant of £3000 by the Gregson/Hibbert trust towards the drainage works against the outside of the Chapel walls and registration of the Trust's land and buildings with the Land Registry. In addition to this last item, we have asked United Utilities whether it would be possible to transfer the land comprising the Garden of Remembrance to the Trust and, although the process has been slow, we were informed that they would transfer it to us for a nominal one pound plus our legal costs, which will be considerably more! The final legal work to complete the transfer is still ongoing.

During late spring, work was undertaken to fit steel mesh to seal the gaps under the eaves between the outer chapel walls and the roof space to prevent the entry of large birds, which had built several nests and introduced much debris to the loft space. This work was completed before the birds returned. Once this was complete, during the late summer months the loft was cleared of nests and rubbish and then insulated with specially treated wool insulation, which is a material considered to be in keeping with a Grade II* building. Hopefully, the introduction of the insulation will improve the efficiency of the storage heaters in maintaining an acceptable temperature (8-10°C) during the winter months when the chapel is unoccupied. At the same time lighting and walkways were installed in the loft to make future access for maintenance and inspection purposes safer.

Perhaps the most complex project of the year was the repair and upgrading of the drains adjacent to the southern vestry and eastern chapel walls, which the architect considered were leading to dampness inside the southeast corner of the chapel. It was for this work that the award of £3000 had been made at the end of 2016. Our architect was commissioned to undertake a full study of the problem and come up with proposals to overcome the damp penetration. Gaining a realistic costing for this work, as well as seeking the necessary permissions, turned out to be significant challenge which delayed the work well into the autumn when suddenly the "jigsaw pieces" fell into place. In spite of the weather, the works were undertaken and completed well within budget before the winter set in properly, thereby allowing us to receive the grant payment before the year end.

During 2017 the architect also surveyed the former Sunday school building, now used as the Village Tearoom and for which our tenant is responsible for maintaining the fabric. A number of issues were identified, not least the dampness in the large south-facing gable, which will require not only removal of all internal plaster but also relaying of the stone copings on the top of the wall. This work is now well underway with all the plaster having been removed before December and a temporary coping repair undertaken pending the better weather of 2018, when full repair work will be undertaken. The poor state of the window frames has been recognised by both Trustees and tenant and we are investigating the availability of grants towards the cost of their replacement.

Unfortunately we experienced an illegal entry during the summer following a break-in at the tearoom where the intruder found the spare chapel key. Luckily, apart from a slight mess, nothing was taken and the offertory box had been emptied just before the event. The vestry lock has now been changed and the instalment of cameras outside the building is currently being explored.

Finally, the flag stones in the Garden of Remembrance remain a concern and the Trustees are still investigating the use of an alternative material to the current York stone that becomes very slippery in wet weather. Whatever is decided upon will, of course, have to fit in with the ambience of the area as well as be aesthetically acceptable.

Richard Horrocks,

Chairman, Rivington Chapel Trust

Rivington Chapel Trust: Treasurer's Report 2017

INCOME

Bank interest: little or no interest now being received on the accounts due to low interest rates and reduced cash balances; now rebuilding cash balances with the receipt of the Hibbert grant, Vat refund and tea room rent to finance 2018 expenditure.

Investment income: The M&G funds continue to pay regular income at £3,199 (2016 £3,062). The Quilter Cheviot funds produced dividends of £883 (2016 £1,122) but in May all of the Aberdeen UK Property and some units in the M&G Corporate Bond fund(5530 units) and Schroder European fund (275 units) were sold to raise £10,063 (net) to cover the cost of work in the loft and external drainage. It should be noted that the Schroder European fund continues to pay NIL dividends but shows a substantial capital gain at current prices. The broker's nominee charge of £250, net of any sales commission (2017 £193) reduces the income received and following the introduction of new financial regulations in January 2018 (with an initial charge of £100 and annual renewal of £86) we will be switched to Execution only whereas previously we were entitled to advice on any sales/purchases. The units sold had a book cost of £8172 and produced a capital gain of £2,095, based on the gross sales value, over a period of 4 years and 9 months.

Publication sales: Increased to £190 having been boosted by new editions of Rivington Recipes and the Bi-Centenary Souvenir. We have discussed a new publication by P Salvo on the subject of Walt Whitman, Rivington & Unitarianism for 2018 to coincide with Whitman's birthday.

Rental income: Continues to provide a regular and growing contribution to the overall income of the Trust. The rent was raised by a further £1,000 pa in September 2017, as negotiated with the tenant, taking the annual rent to £5,000. There will be another review in September 2018 when the current lease reaches the end of the fourth year – previous discussion suggests that the rental will increase by another £1000 pa.

Garden of Remembrance: Only produced £600 from the sale of 1 niche and 1 interment, however D Taylor Productions donated £50 from the proceeds of his outdoor play and it is hoped that this may develop further in the coming year.

Donations: steps have been taken to publicise the use of MyDonate through the website and register with HMRC for Gift Aid.

Grants: the £3,000 from the Hibbert Trust towards the cost of the external drainage was received in December.

Vat: Over the year 2 claims were made under LPWGS (£2,827) and following the completion of the outside work a further claim of £1,160 was submitted on 15/12/2017.

EXPENDITURE

Grounds: have continued to be maintained on a regular basis. We are looking for a means of disposing of the gathered leaves at minimum cost.

Buildings: Annual inspections of the fire appliances and organ were carried out during the year. The loft was protected from further bird entry and nesting by the fitting of black powder coated ss mesh guards at eaves height (£2,450), followed by cleaning out and the installation of lights, walkways and sheep wool insulation (£4,458). External drainage work around the Vestry and 2 sides of the Chapel was completed (£8,101).

Professional fees: Were paid to the architect (£2412) and structural engineer (£270) for the details and specifications needed for the mesh guards, loft, external drainage and tea room repairs, of which £1050 (net) was recharged to VGTR Ltd. Legal fees of £1354 were paid to cover the work involved in the registration of the Trust land and buildings. Further costs will be incurred when the transfer of the Garden of Rest from United Utilities is finally completed (2018 £1,500 est).

Rivington Chapel Trust: Treasurer's Report 2017

GENERAL COMMENTS

1. All figures quoted for expenditure items are Gross ie include Vat, where this is chargeable.
2. Values for land and buildings are now shown as the Trust's assets for the first time since 1988 although these are estimated rebuild costs for insurance purposes and not market values.

3. Risks

3.1 The rise in the value of the Trust's investments are due to sustained increases over the last few years in company share prices but some financial commentators are starting to sound warnings that this may be coming to an end. As always the problem for all investors is calling the top of the market. Would the Trust be better placed by converting some of its investments, say the Quilter Cheviot holdings, into cash to finance 2018 expenditure over and above that received from rent and M&G dividends?

3.2 The Trustees need to establish the Trust's exposure to income tax. Quoting from a Charity help sheet received when applying to HMRC for Gift Aid " Most of the income and gains received by charities are exempt from Income Tax, Capital Gains tax and Corporation Tax provided they are used for charitable purposes only. Income or gains that are not covered by an exemption are taxable. Exemption from tax on rental income you receive from renting out land and property is available. This includes profits from renting out furnished property".

4. Expenditure in 2018 – the following ideas have been discussed and/or raised previously:

- 4.1 CCTV – estimated £900 subject to survey.
- 4.2 replace existing wooden gutters with larger Cast Iron ones – measurements taken and costs being investigated.
- 4.3 internal redecoration and repairs to plaster – est £2,000.
- 4.4 bringing upper Vestry into use (in conjunction with 4.3 – est £2,500.
- 4.5 repairs to lintel over external vestry door – est £5,00.
- 4.6 external patch repointing with lime mortar and reset RH steps – est £1,500.
- 4.7 Garden of Remembrance flagstones - P Prescott to quote.
- 4.8 path through grave yard including meter cupboard – P Prescott to quote.
- 4.9 repairs to boundary walls – V McC to investigate.
- 4.10 front access road to be resurfaced – ask local contractor (K Darlington & Son Ltd) to quote.

Michael Hough
Treasurer, Rivington Chapel Trust

The Trustees of Rivington Chapel

Income & Expenditure Account for the year ended 31 December 2017

| | Notes | 2016 £ | 2016 £ | 2017 £ | 2017 £ |
|--|-------|-----------|-----------------|-----------|----------------|
| Income | | | | | |
| School Room Rent | 2 | 3,252 | | 4,257 | |
| Niche payments and Internments | | 80 | | 600 | |
| Income M&G Charifund | 1 | 2,587 | | 2,724 | |
| Income M&G Charibond | 1 | 475 | | 475 | |
| Income Quilter Cheviot | 1 | 1122 | | 883 | |
| Grants & Donations | 6 | - | | 3,877 | |
| Sale of Publications | 3 | 106 | | 905 | |
| Interest received | | 26 | | 3 | |
| Profit on disposal of investments | 1 | - | | 324 | |
| VAT Refund | | 2,412 | 10,060 | 2,189 | 16,237 |
| | | <hr/> | | <hr/> | |
| Expenditure | | | | | |
| Grounds Maintenance | | 1,544 | | 681 | |
| Insurance less Tea Room share | | 1,268 | | 1,423 | |
| Repairs & Maintenance | | 901 | | 848 | |
| Organ | | 162 | | 162 | |
| Security | | 90 | | 90 | |
| Administration | | 146 | | 231 | |
| Quilter annual fee | | 250 | | 250 | |
| Bank charges | | - | | 60 | |
| Legal fees and reports | 5 | 5,324 | | 1,354 | |
| Donation | | - | | 200 | |
| Interest paid | | - | | 125 | |
| Major improvements/renewals | 4 | 13,416 | 23,101 | 14,862 | 20,286 |
| | | <hr/> | | <hr/> | |
| Excess of Expenditure to Income | | | <u>(13,041)</u> | | <u>(4,049)</u> |
| Revaluation of investments at year end | | | | | |
| M&G Charifund | 1 | 3,700 | | 3,908 | |
| M&G Charibond | 1 | 715 | | (214) | |
| Quilter Cheviot | 1 | 2,488 | 6,903 | 1,892 | 5,586 |
| | | <hr/> | | <hr/> | |
| Increase/(decrease) in reserves in the year | | | <u>(6,138)</u> | | <u>1,537</u> |
| Statement of Financial Position at 31 December 2016 | | | | | |
| | | 2016 £ | 2016 £ | 2017 £ | 2017 £ |
| Assets | | | | | |
| COIF Charity Fund | | 53 | | 53 | |
| M&G Charifund | 1 | 55,949 | | 59,858 | |
| M&G Charibond | 1 | 13,322 | | 13,109 | |
| Quilter Cheviot | 1 | 36,257 | | 28,268 | |
| CAF Bank Gold Deposit Account | | 1,115 | | 3,589 | |
| CAF Bank Current Account | | 1,706 | | 46 | |
| VAT Debtor | | 1,798 | 110,200 | 1,160 | 106,083 |
| | | <hr/> | | <hr/> | |
| Liabilities | | | | | |
| Congregation committee | | 7,079 | 7,079 | 1,425 | 1,425 |
| | | <hr/> | | <hr/> | |
| Net Assets (excluding property) | | | <u>103,121</u> | | <u>104,658</u> |
| Land & Buildings | 7 | | 2,015,413 | | 2,135,491 |

The Trustees of Rivington Chapel

Notes to the accounts

1 Return on investment percentages

| | Income | Value change | Total |
|-----------------|--------|-----------------|-------|
| M&G Charifund | 4.9% | 7.0% | 11.9% |
| M&G Charibond | 3.6% | -1.6% | 2.0% |
| Quilter Cheviot | 2.7% | 5.2% | 7.9% |
| Average | 4.0% | 5.3% | 9.3% |

On 1st June 2017 investments held by Quilter Cheviot were disposed of realising £10,258 net of costs

2 School Room Rent

After a formal rent review the annual rent was increased by £996 per annum (24.8%) effective from 1st October.

3 Sale of Publications

Included is £700 being advertising space in the quarterly newsletter.

4 Major improvements/renewals

This year the major expenditure was :-

To clean the loft, seal it off from vermin and insulate it.
Trench work around the north and east sides to prevent damp.

5 Legal fees and reports

The fees this year are the final part regarding the registration of title.

6 Donations

The main contributions were :-

| | |
|-----------------|-----------|
| Hibbert trust | £3,000.00 |
| Musical evening | £822.00 |

7 Land & Buildings

In the past the value of the land and buildings have been ignored and records of historic costs are not complete and/or not available. The Trustees write off the expenses of repairs and improvements against that year's income. No formal valuation of the land and buildings has taken place. However a rebuild cost, ascertained for insurance purposes, is shown above.

I have examined the Income and Expenditure Account for the year ended 31 December 2017 and the Statement of Financial Position at that date and have found them to be in accordance with the books, vouchers, investment and bank statements presented to me for audit.

D WORSLEY