

THE EARLEY CHARITY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

THE EARLEY CHARITY

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THE EARLEY CHARITY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees	Dr D G Jenkins, Co-opted Dr D C Sutton, Vice Chairman, Reading Borough Council Mr R E Ames, Chairman, Earley Town Council Mr P Hooper, Co-opted Mrs M Waite, Co-opted Councillor T Maher, Earley Town Council Councillor L Terry, Reading Borough Council
Charity registered number	244823
Principal office	St Nicolas Centre Sutcliffe Avenue Earley Reading Berkshire RG6 7JN
Senior management team	Miss J Wittig, Clerk to the Trustees
Independent auditor	James Cowper Kreston Chartered Accountants and Statutory Auditor Reading Bridge House George Street Reading Berkshire RG1 8LS
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ HSBC Bank Plc 26 Broad Street Reading Berkshire RG1 2BU
Solicitors	Field Seymour Parkes Solicitors 1 London Street Reading Berkshire RG1 4PN
Investment advisers and managers	Investec Wealth & Investment Limited 30 Gresham Street London EC2V 7QN

THE EARLEY CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report together with the audited financial statements of The Earley Charity (the Charity) for the year ended 31 December 2021. The Trustees confirm that the annual report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 2019).

Objectives and activities

a. Policies and objectives

The Earley Charity is a grant making trust with an area of benefit local to Reading described as the Ancient Liberty of Earley and the neighbourhood thereof. This provides a population of benefit potentially in excess of 150,000.

The object of the Charity shall be to further all or any of the following charitable purposes:

1. the relief of the aged, disabled or poor inhabitants of the area of benefit;
2. the relief of distress and sickness among the inhabitants;
3. the provision and support (with the object of improving the condition of life for the inhabitants in the interests of social welfare) of facilities for recreation and other leisure time occupations;
4. the provision and support of educational facilities for the inhabitants;
5. any other charitable purpose for the benefit of the inhabitants.

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit. All the charitable aims and all the charitable activities of The Earley Charity are for the public benefit as defined and described in the Charity Commission's guidance Charities and Public Benefit.

The objects are achieved by making grants to local charitable, voluntary and community groups, especially where the beneficiaries are likely to be aged, disabled or poor, as well as grants to individuals living within the area of benefit.

Grant making activities are broken down into the following categories:

- Grants to Individuals – for the relief of need experienced by individuals, including assistance to pursue further education.
- Grants to Organisations – to support local charitable, voluntary and community groups with specific projects.
- Douglas Chilvers Memorial Bursary – to support music and performing arts related activities undertaken by individuals and organisations.
- Earley Charity Workers – to fully fund workers at identified key voluntary sector organisations.
- Trustee-Led Grants – Trustees may propose one or more organisational grants per year up to an agreed value on the basis of their own knowledge of local voluntary, community, sporting or cultural organisations.

THE EARLEY CHARITY

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Objectives and activities (continued)

b. Grant Making Policy

The Trustees have a grant making policy to achieve the Charity’s aims for the public benefit. The public benefit of The Earley Charity’s charitable aims can be described under 3 headings: general aim, current priorities, and occasional benefits. In the terminology of the Charities Act, the general aim of The Earley Charity is relief of need. This is explicit in all the Charity’s governance documents, and the widest possible interpretation of “need” is allowed for. The Charity’s current priorities include the relief of need by reason of age and the advancement of the arts, culture and heritage. Other charitable purposes as defined by the Charities Act which are occasionally met by The Earley Charity include the relief of poverty; the advancement of education; the advancement of health; the advancement of community development; the advancement of amateur sport; the advancement of environmental protection or improvement; and the relief of need by reason of ill-health or disability.

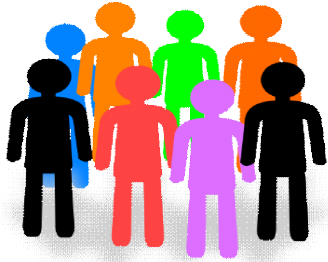

Grant applications for a specified purpose are welcomed from any individual living permanently in the area of benefit and experiencing need. Applications from individuals up to a value of £500 are determined by the Grants Panel. Applications over £500 are reviewed by the Grants Panel and determined at a Trustee Meeting.

Local charitable, voluntary and community groups, especially where the beneficiaries are likely to be aged, disabled or poor, are able to make grant applications for funding for specific projects. Applications from organisations are currently considered 4 times a year.

All applications need to comply with the objects of the Charity for a grant to be approved.

Achievements and performance

a. Review of Achievements and Performance

<p>Individuals 104 enquiries 45 applications received 44 grants approved (1 was later withdrawn) 43 grants awarded totalling c£14,250</p>	<p>Organisations 69 enquiries 45 applications received 33 grants awarded totalling £147,739</p>
	

b. Grants to Individuals

Individual grant awards are made to families and individuals in financial hardship to enable them to buy essential household items and appliances such as beds, cookers and washing machines. The number of individuals seeking grant support continues to increase. In 2021 45 applications were received, an increase of 22% on 2020, of which 44 were approved (one was later withdrawn by the applicant). The 43 grant awards made totalled just over £14,000. The awards were mainly for white goods and furniture. Other awards included 3 setting up home grants of £500, and contributions towards a wheelchair, disability scooter and IT equipment.

THE EARLEY CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

c. Grants to Organisations

Following a temporary suspension of general grant-making to organisations in 2020 due to uncertainty with investment income because of the pandemic, the Trustees were pleased to restart accepting applications from organisations at the beginning of the year.

Forty-five applications were received in 2021 from which 33 grants totalling £147,739 (£117,610 in 2020) were awarded. This included renewal of 4 annual grants continuing the Trustees support of on-going work at a number of organisations the Trustees know well.

On-going Funding

Over the past few years Trustees have established an on-going funding relationship with a number of organisations which run projects that are closely aligned with the Trustees' priorities. Six organisations are currently receiving grants under this scheme. Five receive annual grants and one a 3-year grant. Support of this on-going work continued in 2021. The grants support the following activities.

- £10,000 to Graft Thames Valley Ltd supporting vulnerable and disadvantaged jobseekers to improve their employability or to gain and retain meaningful employment, training and other work-related opportunities. To date, on-going funding from The Earley Charity has enabled Graft to support 39 beneficiaries. All have a firm diagnosis of mental ill health, 12 have a criminal record and 11 were at risk of offending. Twenty-eight beneficiaries have completed Graft's support programme with many attaining positive outcomes. 2021 was a very successful year with 6 service users securing paid work.
- £12,000 to Rockets Sport & Educational Foundation to provide what is now a well-established community basketball programme in schools and at the Weller Centre. In 2021 60 young people aged 4 to 16 attended Weller Centre each week to play basketball and 55 children were coached each week in local schools. In 2021 Rockets launched a Youth basketball programme at the Centre for 13–16-year-olds.
- £8,910 to University of Reading supported four internships providing 990 hours of work experience in the voluntary sector. The funding benefits both the hosting charity and the students. One of the interns was subsequently offered a year-long placement to continue the work they started during their internship.
- £10,000 to Reading Voluntary Action towards the salary costs of the Ready Friends Development Worker. The project supports local people, communities and voluntary sector groups to reduce loneliness and social isolation in Reading. Activities include a regular Befriending Forum.
- £40,918 was paid to The Conservation Volunteers (TCV). This was year 3 of a 3-year grant supporting the Reading Green Action project. The Earley Charity has provided continuous grant funding for this project since it began in 2009. This long-term project has seen greenspaces continually improve in the Reading area and provides training and regular conservation volunteering opportunities for local people.
- Aspire2 reported an underspend on their 2020 grant of £10,000 due to activities being cancelled or severely curtailed because of the pandemic, and so did not apply for a continuation grant in 2021. With the Trustees agreement, the underspend from the 2020 grant was used to progress pupil enrichment activities in 11 local schools in whatever format was possible. This included the purchase of a Silent Disco package with 100 sets of headphones for the schools to run COVID-safe parties and events as well as other activities such as language clubs and mindfulness/wellbeing sessions. Funding also allowed the 11 schools to organise activities for their pupils as part of their post lockdown recovery, such as circus skills workshops, steel pan performances/workshops, BMX displays/workshops, animal roadshows, sports workshops and fun physical activity days.

Earley Charity Worker Grants

Established in 2000, the Charity's innovative and much-praised 'Earley Charity Workers' scheme fully funds one worker in each of a number of key voluntary sector organisations in the area of benefit and provides job security by guaranteeing the funding into the future over a 3-year period. The purpose of the scheme is to provide local voluntary sector organisations with key personnel who can work to create an equal and fair society by directing activity as much as possible towards those experiencing distress and hardship, and supporting professionals working with the dispossessed and those in need, while making best use of resources by encouraging partnership working and creating opportunities for people to share knowledge, experience and resources.

THE EARLEY CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

In total the Charity funds 5 posts through the Earley Charity Worker Scheme. These are with Earley CResCent Centre, Weller Centre, Berkshire Women's Aid (BWA), Reading International Solidarity Centre and Reading Voluntary Action. A total of £189,894 was paid in the year and Trustees agreed to extend the funding for all 5 posts until December 2023.

Creation of 'Earley Charity Worker' posts is undertaken proactively by the Trustees, following extensive research, and applications for this purpose are not accepted.

Community Centres

The Trustees' commitment to the advancement of community development has become well established and continues to be a significant priority. They recognise the valuable contribution community centres make to local communities. Trustees have a major involvement with 2 local centres: Earley CResCent Resource Centre in Earley and Weller Centre in Lower Caversham and have pledged on-going grant support to both.

Earley CResCent Centre and Weller Centre each receive funding for a post through the Earley Charity Worker Scheme and grant support for community learning and activity programmes. Funding to the 2 centres in 2021 totalled £162,963 of which £64,000 was for the Earley Charity Worker posts mentioned above and £98,963 for community learning and activity programmes. Trustees agreed to extend this funding until December 2023.

The Charity's funding of key staff roles and the learning / activity programmes has enabled the Centres to continue to deliver services at a time when COVID restrictions and limited opening to the public has impacted income generation. Through 2021 Weller Centre was used as a base to deliver outreach services including providing lunches to those shielding or self-isolating and delivery of care parcels containing food and toiletries. CResCent's Community Learning programme was at times the only centre running in-person courses providing vital social contact for vulnerable people.

Bicentenary Grants

In 2020 The Earley Charity celebrated 200 years of active philanthropy since the inception of its predecessor, the Earley Poor's Land Charity, by the Sonning Inclosure Act of 1816 which was implemented from 1820. To mark this milestone the Trustees established 2 major bicentenary funding commitments expected to have a lasting and positive impact in the area of benefit. The 2 projects are to fund an extension to the Earley CResCent Resource Centre to provide much needed additional capacity as well as a self-contained office for the Earley Charity, and the Bicentenary Fund, a one-off fund of £200,000 (later increased by Trustee decision to £230,543) to support bricks and mortar projects such as new builds, extensions and large-scale refurbishments.

Extension to the CResCent Resource Centre

The pandemic and issues relating to certain consents has meant that the main building work did not get underway in 2021 as planned. One element of the project to transform the Centre's offices to provide extra workspace did get underway. This initial phase was completed early in 2021 and has improved the work area and enabled CResCent staff to work in a safe, socially distanced manner throughout the pandemic. It is hoped that the main build work will start in 2022.

Bicentenary Fund

In 2019 Trustees selected 6 projects to receive grants totalling £230,543 from the Bicentenary Fund. The Bicentenary grant programme successfully concluded in the autumn of 2021 following payment of the final award of £19,000 to Watlington House to support their heritage project to restore the front boundary and replan the forecourt of their Grade II* listed property to return it to how it would have looked in 1929.

Because of the pandemic events to celebrate the opening of the facilities funded by the grants have been low key with Trustees making private visits. However, Trustees were able to join with artists, donors and audience members at Reading Repertory Theatre's Opening Gala in September to see how their grant had contributed to a new state-of-the-art performance space and learning studio.

Trustees were pleased with the success of this special funding stream and will look to carry out a similar scheme in the future.

THE EARLEY CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

Trustee-Led Grants

Two projects were awarded grants from the Trustee-Led Grants programme. A total of £32,000 was approved and paid during the year.

- Three trustees pooled their allocation to award £24,000 to Reading Rep Theatre towards its two-year multi-generational project REBORN relaunching its multi award-winning ENGAGE programme that The Earley Charity was the first to support in 2014. The purpose of the project is to improve community cohesion, reduce isolation and enhance wellbeing for children, young people and vulnerable adults. Reading Rep Theatre will produce 10 professional productions accompanied by an education and outreach programme, or participatory project as part of REBORN.
- £8,000 awarded to Junction Arch Heritage & Arts (JAHA) to support a plan for the Junction Arch to become a multi-functional community hub, to develop a programme of work to protect and promote the Reading Old Cemetery and for the Junction Arch to become the focal point of a wider scheme for the regeneration of the area.

Douglas Chilvers Memorial Bursary

No applications to this fund were received or considered in 2021.

COVID-19 Support Fund

The £40,000 COVID-19 Support Fund was set up in 2020 in response to the coronavirus pandemic to provide grants of up to a maximum £2,000 to help organisations respond to the immediate needs of relaunching or adapting their service and activities following lockdown. The final 6 awards from this fund were approved at the beginning of the year before the fund was closed in February 2021. An underspend on one grant award meant that Trustees approved a total of £40,781 across 26 organisations. Of the £40,000 budget allocation funds of £39,665 were expended.

Monitoring achievement

The performance of organisational grant making is monitored using a mix of presentations and reports from grantees. It is a condition of a grant award that organisations complete a progress report where a grant is paid in instalments and/or a final report at the end of the grant. As well as telling what the grant helped to achieve and the difference it has made, this information also helps Trustees ensure the grant making has been carried out in accordance with the charitable objects and informs future programmes. Where an on-going funding relationship exists renewal of funding is conditional on a satisfactory report being received.

Trustees received annual presentations on the Earley Charity Worker posts and from both Community Centres. The Conservation Volunteers and Rockets Sport and Educational Foundation reported on their grants and Citizens Advice Reading reported on their grant award for an End of Life pilot project.

Six progress reports and 45 completion reports, of which 18 were COVID-19 Support Grant reports, were received.

- Almost half of the organisations reported that participants in the grant funded projects benefitted from improved health and wellbeing and gained in confidence.
- The next most cited outcomes were associated with improvements to the workplace or infrastructure reflecting grant awards for building improvements and the COVID-19 Support grants, which provided equipment for online service delivery and PPE to ensure a safe learning and working environment for beneficiaries, staff and volunteers.
- 40% of organisations reported that participants gained new skills or knowledge with some achieving a recognised qualification or award or using the skills as a pathway to employment, volunteering or education.
- Over a fifth of the organisations reported that their projects had increased community participation.

Individual grant making is monitored by carrying out follow-up calls on a selection of grant awards. The

THE EARLEY CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

monitoring checks that funds have been used for the purpose they were awarded and assesses the recipient's experience of the grant process. Follow up reports on Individual Grants were reported to the Trustees' Grants Panel at their meetings in February and August. A grant award to a divorced single parent to 3 children for a waterproof mattress for his 6-year-old son who is doubly incontinent said that it had helped make everyday life that little bit better. A grant recipient who had to rely on Universal Credit when her work was affected by the COVID-19 pandemic was awarded a fridge freezer and can now shop normally to feed her family.

Financial Review

The Charity is funded by income and investment returns generated by its permanent endowment. The Trustees received authorisation from the Charity Commission to adopt total return accounting in an Order dated 15 January 2007. In 2010 the Trustees agreed to have income generated by the Main Fund reinvested and to draw down sufficient funds each year to cover expenditure. These withdrawals are in the form of a regular monthly transfer and occasional annual lump sum. The amount of the lump sum is determined by the Trustees following consultation with their fund manager, when setting their budget for the coming year.

The Charity's finances are in a strong position with the Trustees holding around £1.8 million in local funds. These funds will be used for planned expenditure on the grant project to fund an extension on the Earley CResCent Centre. Trustees agreed to draw down £880,000 from the unapplied total return to fund grant-making in 2021, taken as a £400,000 lump sum and £480,000 taken in regular monthly instalments of £40,000.

The annual transfers since adopting total return accounting have been as follows:

Year	Amount
2008	£851,574
2009	£684,000
2010	£810,000
2011	£575,000
2012	£658,000
2013	£740,000
2014	£520,000
2015	£825,000
2016	£1,430,000
2017	£821,000
2018	£1,144,000
2019	£858,000
2020	£881,111
2021	£1,708,242

In 2021 the Trustees appraised the financial management of the Charity over the 3 decades since the sale in 1988 of the land originally given to the Charity, which raised £6,100,000. Since its inception the permanent endowment has grown steadily and at the end of 2020 was valued at £11,364,330. Looking back, the Trustees are extremely satisfied that the Charity has continually granted substantial sums annually while at the same time growing the endowment from the £6,100,000 Original Gift. Gross expenditure over the 30-year period – 1991 to 2020 – has been £34,373,815.

Original Gift	Gross Expenditure 1991 to 2020	Fund Value at 31-Dec-2020
£6,100,000	£34,373,815	£11,364,330

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

THE EARLEY CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

b. Review of the Accounts

The Charity's investment income has increased by some 8% from last year from £262,143 to £282,911. Direct charitable expenditure on grants increased from £578,027 to £1,759,660 in 2021.

The Charity's net incoming resources before investment gains and losses shows a deficit this year of £1,646,805 (2020: £492,884).

c. Reserves Policy

The adoption of the total return basis of accounting means that the Trustees have the ability to transfer funds from the unapplied total return to maintain unrestricted free reserves at a level considered appropriate to the needs of the Charity.

Having carefully considered expenditure obligations and the general needs of the Charity, Trustees have decided on an agreed level of unrestricted free reserves of £500,000, equating to around six-months' expenditure.

d. Asset Cover for Funds

The Trustees consider that the assets of the Trust are fully adequate to meet the Charity's obligations.

e. Investment Policy and Performance

The Charity 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 in April 1988 following the sale of the land originally given to the Charity;
- 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 advisors regarding the market outlook, investment trends and yields and the prospect for future capital growth.

The investment objective of the fund is to invest for maximum return whilst taking into account the protection of the underlying capital of the fund.

The value of the portfolio fell back slightly in the first quarter from its starting value of £11,364,300 but recovered strongly in the second quarter. This growth continued throughout the rest of 2021 and the value of the fund at the year-end was £12,054,605.

Towards the end of the year Trustees reviewed their position on investing in fossil fuel companies. In consultation with their fund manager and in line with their advice, Trustees agreed to proceed immediately with an amendment of the portfolio to reduce the emissions attributable to the Charity's investments. Action was taken to reduce emissions from the direct holdings with the aim of reducing them to around half that of the UK market. Trustees plan to hold further discussions on making the portfolio environmentally sensitive by looking at a strategy for investing in environmentally positive funds.

The Trustees regularly review their strategy for withdrawing money from the Fund with their Investment Manager and are comfortable with the current practice.

As part of their Debt Advice and Management strategy, the Trustees made an investment of £14,500 as a Corporate Investor with Berkshire Credit Union in 2013. Investments by Corporate Members strengthen Berkshire Credit Union's ability to lend to individuals in need at affordable rates thereby providing people with an alternative to more traditional, high-interest loan companies. No dividend was paid on this investment in 2021 and the value remained at £14,627.

THE EARLEY CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management

a. Constitution

The Earley Charity is regulated by a Trust Deed sealed 10 May 1990, which replaced that of 14 November 1933.

The body of Trustees consists of 4 nominated Trustees and 4 co-opted Trustees. Nominated Trustees are appointed, 2 by Reading Borough Council and 2 by Earley Town Council. Each appointment is made for a term of 4 years at a meeting convened and held according to the ordinary practice of the appointing council. Co-opted Trustees are appointed for a term of 5 years by a resolution of the Trustees passed at a meeting of which not less than 21 days' notice has been given. Appointments may not be made more than one month before the term of an existing co-opted Trustee expires with effect from the date of expiry. In accordance with the Charity's Trust Deed, where a Trustee is co-opted to the board to replace another Trustee, he or she will continue to serve the outgoing Trustee's term of office.

New co-opted Trustees may be sought by advertisement or through nomination. Any potential new Trustee may have an informal meeting with a Trustee or the Clerk to the Trustees before being invited for interview with the Trustees. Once appointed they are given copies of the minutes from the previous 3 meetings and the Charity Commission booklet *The Essential Trustee: What You Need To Know*. New and existing Trustees are provided with details of appropriate training opportunities as they occur.

The following Trustees served during the year:

Dr D G Jenkins
Dr D C Sutton
Mr R E Ames (Chairman)
Mr P Hooper
Mrs M Waite
Councillor T Maher
Councillor L Terry

The full body of Trustees meets 4 times a year. The first meeting of each year includes the Annual Meeting. At each of these meetings the Trustees consider the operations of the Charity and take decisions on recommendations made by the sub-committees. Grant applications received from individuals for over £500 and those received from organisations for over £3,000 are determined at these meetings.

The Grants Panel has been delegated the power to take decisions on grant applications from individuals (currently up to a value of £500). Power to approve organisational grants to a value of £3,000 is delegated to the Community Development Sub-Committee. It is felt that the delegation of power to sub-committees to take minor decisions is an appropriate way to ensure that the increasing workload of the Charity is handled in an efficient and effective manner.

The sub-committees are as follows:

Grants Panel Sub-Committee: considers applications from individuals. The Panel has authority to award grants up to £500 and makes recommendations on amounts over £500.

Finance and Planning Sub-Committee: deals with finance and strategic planning for the Charity. It has delegated authority to take straightforward financial decisions in line with existing Charity policy or precedents and exceptionally, major financial decisions in situations of urgency.

Community Development Sub-Committee: determines applications from organisations for amounts of £3,000 and under; previews larger applications which fall within its remit; develops and oversees policies for support for the arts and for community activities; and receives the presentations from the Earley Charity Workers.

Additional sub-committees will be set up from time to time to deal with issues as appropriate.

The Trustees periodically arrange special whole day meetings to dedicate time to discussing policy and planning issues. They would also use these occasions for training and team building.

THE EARLEY CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management (continued)

b. Key Management Personnel

The Trustees are responsible for directing and controlling the Charity and all give of their time freely. Details of any payments made to Trustees are shown in note 12 to the accounts.

Trustees and key management are required to disclose all relevant related party information, copies of which are held by the Clerk to the Trustees. Details of transactions with related parties are shown in note 28 to the accounts. At the start of every meeting Trustees are asked to declare any conflicts of interest and conflicts of loyalty on the business of the meeting. Where a conflict arises they are required to withdraw from the meeting and take no part in the discussion or decision.

The day-to-day running of the Charity is delegated to the Clerk to the Trustees.

The pay of the Charity's key management personnel is reviewed annually and normally increased in line with average earnings and inflation.

c. Risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The Trustees consider poor investment performance to be the Charity's principal financial risk. To mitigate this risk the Trustees employ the services of a reputable investment manager to manage the permanent endowment. Funds are invested in a diversified investment portfolio which is measured against a customised benchmark. The Trustees have also decided to inflation-adjust the original investment by £100,000 per annum to safeguard the endowment for future beneficiaries. Operating on a total return basis helps to stabilise the financial resources available for the grant making programmes while giving the flexibility to make substantial grants for desirable projects.

The operational risk of awarding grants that are ineffective is managed by ensuring as much information as possible is available to the Trustees when making their decisions. This is collected by way of an application form and is backed up by the Trustees' extensive knowledge of the area of benefit. All individual applications have to be sponsored by a professional to whom the applicant is known and who can verify the need. The credibility of applications is further checked by the Charity's Officers. The Trustees operate systems to monitor and evaluate the benefit of their grant making from which they learn what aspects work and where risks might lie. The Trustees accept that on occasions they will be taking risks by supporting new organisation or those that are not well known to them but consider these risks to be worthwhile in the pursuit of the achievement of the Charity's objects and their strategic priorities.

The Trustees employ the services of a firm to provide HR advice to manage risks associated with employment.

Plans for future periods

An extension to the Earley CResCent Resource Centre, which is being funded as part of the Charity's Bicentenary celebrations, will also include a self-contained office suite that is to become the new permanent home of The Earley Charity. Work on the extension was planned to start in the spring of 2021 but the pandemic and issues relating to certain consents meant the project could not get underway. Trustees are working to resolve these issues and hope work will be able to commence in 2022.

THE EARLEY CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, James Cowper Kreston, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

R E Ames
Trustee
Date: 25 May 2022

D C Sutton
Trustee

THE EARLEY CHARITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EARLEY CHARITY

Opinion

We have audited the financial statements of The Earley Charity (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards 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 been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

THE EARLEY CHARITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EARLEY CHARITY (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

THE EARLEY CHARITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EARLEY CHARITY (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

THE EARLEY CHARITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EARLEY CHARITY (CONTINUED)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

James Cowper Kreston

Chartered Accountants and Statutory Auditor
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

1 June 2022

James Cowper Kreston are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE EARLEY CHARITY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:					
Charitable activities:	2				
Liberty of Earley House		-	-	-	128
Investments	3	89	282,822	282,911	262,143
Other income	4	271	-	271	-
Total income and endowments		360	282,822	283,182	262,271
Expenditure on:					
Raising funds	5	-	47,626	47,626	45,883
Charitable activities:	6				
Liberty of Earley House		-	-	-	34
Charitable grants		1,759,660	-	1,759,660	578,027
Governance		12,872	-	12,872	12,932
Support costs		109,829	-	109,829	118,279
Total expenditure		1,882,361	47,626	1,929,987	755,155
Net (expenditure)/income before net gains/(losses) on investments		(1,882,001)	235,196	(1,646,805)	(492,884)
Net gains/(losses) on investments		-	1,283,722	1,283,722	(177,818)
Net (expenditure)/income		(1,882,001)	1,518,918	(363,083)	(670,702)
Transfers between funds	20	1,708,242	(1,708,242)	-	-
Net movement in funds		(173,759)	(189,324)	(363,083)	(670,702)
Reconciliation of funds:					
Total funds brought forward		673,759	11,622,364	12,296,123	12,966,825
Net movement in funds		(173,759)	(189,324)	(363,083)	(670,702)
Total funds carried forward		500,000	11,433,040	11,933,040	12,296,123

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

The notes on pages 19 to 34 form part of these financial statements.

THE EARLEY CHARITY

**BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	1,799	3,113
Investments	14	12,320,838	11,634,295
		12,322,637	11,637,408
Current assets			
Debtors	16	397	397
Cash at bank and in hand		1,602,868	1,448,281
		1,603,265	1,448,678
Creditors: amounts falling due within one year	17	(1,673,502)	(490,333)
Net current liabilities / assets		(70,237)	958,345
Total assets less current liabilities		12,252,400	12,595,753
Creditors: amounts falling due after more than one year	18	(319,360)	(299,630)
Total net assets		11,933,040	12,296,123
Charity funds			
Endowment funds	20	11,433,040	11,622,364
Unrestricted funds	20	500,000	673,759
Total funds		11,933,040	12,296,123

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

R E Ames
Trustee
Date: 25 May 2022

D C Sutton
Trustee

The notes on pages 19 to 34 form part of these financial statements.

THE EARLEY CHARITY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	24	(725,413)	(977,143)
Cash flows from investing activities			
Drawdown		880,000	480,000
Net cash provided by investing activities		880,000	480,000
Change in cash and cash equivalents in the year		154,587	(497,143)
Cash and cash equivalents at the beginning of the year		1,448,281	1,945,424
Cash and cash equivalents at the end of the year	25	1,602,868	1,448,281

The notes on pages 19 to 34 form part of these financial statements

THE EARLEY CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective January 2019) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and 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 Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Earley Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Going concern

The Trustees have considered the ability of the Charity to continue operating for the foreseeable future. As the Charity is able to draw down sufficient funds each year from its permanent endowment, to cover the expenditure of its grant making activities, due to an Order dated 15 January 2007 from the Charity Commission to adopt total return accounting, the Trustees believe that the financial statements have been prepared appropriately on the going concern.

1.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Dividend income and interest on UK government stocks are included within the financial statements when they are paid.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to the third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the Charity.

All expenditure is inclusive of irrecoverable VAT.

THE EARLEY CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office furniture and equipment - 10% straight line

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.11 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

THE EARLEY CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.12 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.13 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

1.14 Fund accounting

- a) Permanent endowment fund: these are funds which must be held permanently and the capital maintained. A total return approach has been adopted for these funds.
- b) Expendable endowment fund: these are funds where the Trustees have a power of discretion to convert endowed capital into income.
- c) Permanent building fund: this is a recoupment fund as designated by the Charity Commissioners.
- d) Unrestricted fund: these are funds available for any purpose within the objects of the Charity.
- e) Designated funds: these are unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

2. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Care home fees	-	-	128
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2020	128	128	
	<hr/> <hr/>	<hr/> <hr/>	

THE EARLEY CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3. Investment income

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Quoted securities	-	282,822	282,822	260,901
Short term deposits	89	-	89	1,242
	<u>89</u>	<u>282,822</u>	<u>282,911</u>	<u>262,143</u>
Total 2020	<u>1,242</u>	<u>260,901</u>	<u>262,143</u>	

4. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other income	271	271	-
	<u>271</u>	<u>271</u>	<u>-</u>

5. Raising funds

	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment management fees	47,626	47,626	45,883
	<u>47,626</u>	<u>47,626</u>	<u>45,883</u>
Total 2020	<u>45,883</u>	<u>45,883</u>	

THE EARLEY CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Liberty of Earley House	-	-	34
Grants payable	1,759,660	1,759,660	578,027
Support costs	109,829	109,829	118,279
Governance	12,872	12,872	12,932
	<u>1,882,361</u>	<u>1,882,361</u>	<u>709,272</u>
Total 2020	<u>709,272</u>	<u>709,272</u>	

7. Grants

	2021 £	2020 £
Grants payable to organisations	329,626	315,487
Grants payable to individuals	13,236	8,041
Grants to Earley Charity Workers	116,324	174,956
Grants for Earley CResCent Community Association Resource Centre	1,300,474	79,543
	<u>1,759,660</u>	<u>578,027</u>

The Charity paid 43 (2020: 32) grants to individuals during the year.

THE EARLEY CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The following grants were paid to Organisations and Earley Charity Workers by the Charity during the year:

	2021 £
22nd Reading Scout (St John's) Group	6,220
Abbeyfield Reading Society Ltd	2,000
Apollo Youth Club	2,000
Berkshire Women's Aid (BWA)	41,425
British Islamic Gardens (BIG)	1,800
Brookside Church/Living Hope Trust	4,000
Citizens Advice Reading	10,000
Community Savings & Loans (Berkshire Credit Union) Ltd	3,000
Connect Reading	2,171
Earley CResCent Community Association	65,926
Earley St Peters School Association (ESPSA)	1,410
Graft Thames Valley Ltd	10,000
Green Health Thames Valley	2,000
Hillside Primary School	684
Home-Start Wokingham District	1,860
John Madejski Academy (JMA)	2,000
Junction Arch Heritage & Arts (JAHA)	8,000
New Meaning Centre Bucks Limited	3,000
Parents And Children Together (PACT)	3,000
RABBLE Theatre	2,000
Reading Association for the Blind	1,800
Reading Community Learning Centre	5,000
Reading Food Growing Network	2,500
Reading International Solidarity Centre (RISC)	43,770
Reading Ramgarhia Sabha	1,000
Reading Repertory Theatre	24,000
Reading Voluntary Action (RVA)	45,700
Rockets Sport and Educational Foundation	12,000
Spotlight UK	3,900
St Vincent & The Grenadines and Friends Association (Reading)	1,200
The Conservation Volunteers (TCV)	41,418
The Cowshed	3,000
The Globe Luncheon Club for the Elderly	1,759
The Way Ministry	1,184
The Woodland Centre Trust (Camp Mohawk)	4,000
University Of Reading - Internships 2021	8,910
Watlington House Trust	19,000
Weller Centre	97,037
	<hr/> 489,674

THE EARLEY CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Continued		489,674
Wokingham In Need		4,295
YMCA Reading		5,335
		-
Movement in 'grant approved not paid' creditor		1,247,120
		<u>1,746,424</u>
		<u><u>1,746,424</u></u>
8. Support costs		
	2021	2020
	£	£
Office costs	14,725	18,541
Bank charges	455	363
Professional fees	3,219	10,024
Wages and salaries	82,302	80,075
National insurance costs	3,699	3,428
Pension cost	4,115	3,967
Depreciation	1,314	1,881
	<u>109,829</u>	<u>118,279</u>
	<u><u>109,829</u></u>	<u><u>118,279</u></u>
9. Governance costs		
	2021	2020
	£	£
Audit and accountancy	10,800	10,800
Indemnity insurance	2,072	2,132
	<u>12,872</u>	<u>12,932</u>
	<u><u>12,872</u></u>	<u><u>12,932</u></u>
10. Auditor's remuneration		
	2021	2020
	£	£
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	8,700	7,800
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	2,100	3,000
	<u>2,100</u>	<u>3,000</u>
	<u><u>2,100</u></u>	<u><u>3,000</u></u>

THE EARLEY CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

11. Staff costs

	2021 £	2020 £
Wages and salaries	82,302	80,075
Social security costs	3,699	3,428
Contribution to defined contribution pension schemes	4,115	3,967
	<u>90,116</u>	<u>87,470</u>

The average number of persons employed by the Charity during the year was as follows:

	2021 No.	2020 No.
Administration and welfare	<u>3</u>	<u>3</u>

No employee received remuneration amounting to more than £60,000 in either year.

The total employee benefits of the key management personnel were £48,462 (2020: £47,267).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, no Trustee expenses have been incurred (2020 - £NIL).

THE EARLEY CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 January 2021	13,141
At 31 December 2021	<u>13,141</u>
Depreciation	
At 1 January 2021	10,028
Charge for the year	1,314
At 31 December 2021	<u>11,342</u>
Net book value	
At 31 December 2021	<u>1,799</u>
At 31 December 2020	<u>3,113</u>

14. Fixed asset investments

	Listed securities £	Cash held on bank deposits £	Unit Trusts £	Other fixed asset investments £	Total £
Cost or valuation					
At 1 January 2021	11,197,904	166,425	255,338	14,627	11,634,294
Additions	1,624,637	(1,624,637)	-	-	-
Disposals	(2,483,810)	2,483,810	-	-	-
Revaluations	1,287,453	-	(3,731)	-	1,283,722
Transfers between classes	-	(880,000)	-	-	(880,000)
Foreign exchange movement	-	282,822	-	-	282,822
At 31 December 2021	<u>11,626,184</u>	<u>428,420</u>	<u>251,607</u>	<u>14,627</u>	<u>12,320,838</u>
Net book value					
At 31 December 2021	<u>11,626,184</u>	<u>428,420</u>	<u>251,607</u>	<u>14,627</u>	<u>12,320,838</u>
At 31 December 2020	<u>11,197,904</u>	<u>166,425</u>	<u>255,338</u>	<u>14,627</u>	<u>11,634,294</u>

THE EARLEY CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Investments at market value comprise:

	UK	Overseas	2020	2019
	£	£	£	£
Listed securities	4,444,120	7,182,066	11,626,186	11,620,566
Cash held on bank deposits	428,420	-	428,420	-
Unit Trusts	251,607	-	251,607	-
Other fixed asset investments	14,627	-	14,627	-
Total market value	<u>5,138,774</u>	<u>7,182,066</u>	<u>12,320,840</u>	<u>11,620,566</u>
Total 2020	<u>6,895,412</u>	<u>4,738,883</u>	<u>11,634,295</u>	

Application of the power of total return

The Charity Commission permitted the Charity to adopt the use of total return investment powers in relation to its permanent endowment investments by an order granted on 15 January 2007. The power permits the Trustees to invest the portfolio to maximise total return and to apply an appropriate proportion of the unapplied total return to income each year. Until the power is exercised to transfer a portion of unapplied total return to income (as disclosed in the fund transfers, note 22), the unapplied total return remains invested as part of the permanent endowment.

	2021 £
The investment fund and application of total return to permanent endowment funds:	
Opening value of permanent endowment	11,622,364
Less: Original value of the gift	(6,100,000)
Unapplied total return as at 31 December 2020	<u>5,522,364</u>
Add: Investment return: dividends and interest	282,822
Gains on investments - Endowment funds	1,283,722
Less: Investment management costs	(47,626)
Unapplied total return before transfer to income	<u>7,041,282</u>
Transfers of funds	(1,708,242)
Sub total: unapplied total return as at 31 December 2021	<u>5,333,040</u>
Add: Original value of the gift	6,100,000
	<u><u>11,433,040</u></u>

THE EARLEY CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Debtors

	2021	2020
	£	£
Prepayments and accrued income	397	397
	<u>397</u>	<u>397</u>
	<u>397</u>	<u>397</u>

17. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	-	13,200
Other creditors	23,852	23,822
Grants	1,649,650	453,311
	<u>1,673,502</u>	<u>490,333</u>
	<u>1,673,502</u>	<u>490,333</u>

18. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Grants	319,360	299,630
	<u>319,360</u>	<u>299,630</u>
	<u>319,360</u>	<u>299,630</u>

19. Charitable commitments - grants

	2021	2020
	£	£
Commitments at the beginning of the period	852,942	978,714
Additional commitments entered into	1,540,519	458,209
Commitments met	(424,451)	(583,981)
	<u>1,969,010</u>	<u>852,942</u>
Commitments at the end of the period	<u>1,969,010</u>	<u>852,942</u>
	<u>1,969,010</u>	<u>852,942</u>

THE EARLEY CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds						
General Funds	673,759	360	(1,882,361)	1,708,242	-	500,000
Endowment funds						
Permanent Endowment Funds	6,100,000	-	-	-	-	6,100,000
Expendable Endowment Funds	5,522,364	282,822	(47,626)	(1,708,242)	1,283,722	5,333,040
	<u>11,622,364</u>	<u>282,822</u>	<u>(47,626)</u>	<u>(1,708,242)</u>	<u>1,283,722</u>	<u>11,433,040</u>
Total of funds	<u><u>12,296,123</u></u>	<u><u>283,182</u></u>	<u><u>(1,929,987)</u></u>	<u><u>-</u></u>	<u><u>1,283,722</u></u>	<u><u>11,933,040</u></u>

THE EARLEY CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds						
General Funds	500,550	1,370	(709,272)	881,111	-	673,759
Endowment funds						
Permanent Endowment Funds	6,100,000	-	-	-	-	6,100,000
Expendable Endowment Funds	6,366,275	260,901	(45,883)	(881,111)	(177,818)	5,522,364
	<u>12,466,275</u>	<u>260,901</u>	<u>(45,883)</u>	<u>(881,111)</u>	<u>(177,818)</u>	<u>11,622,364</u>
Total of funds	<u>12,966,825</u>	<u>262,271</u>	<u>(755,155)</u>	<u>-</u>	<u>(177,818)</u>	<u>12,296,123</u>

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	1,799	-	1,799
Fixed asset investments	-	12,320,838	12,320,838
Current assets	1,603,265	-	1,603,265
Creditors due within one year	(785,704)	(887,798)	(1,673,502)
Creditors due in more than one year	(319,360)	-	(319,360)
Total	<u>500,000</u>	<u>11,433,040</u>	<u>11,933,040</u>

THE EARLEY CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	3,113	-	3,113
Fixed asset investments	-	11,634,295	11,634,295
Current assets	1,448,678	-	1,448,678
Creditors due within one year	(478,402)	(11,931)	(490,333)
Creditors due in more than one year	(299,630)	-	(299,630)
Total	<u>673,759</u>	<u>11,622,364</u>	<u>12,296,123</u>

22. Fund transfers

The Charity engaged in correspondence with the Charity Commission in a previous financial year with the explicit intention of applying the total return approach to the investment of its permanent endowment. The investment power of total return was granted on 15 January 2007. Having considered their obligations under the duty of even handedness, during the year the Trustees made a transfer of £1,708,242 (2020: £881,110) unapplied total return to unrestricted funds in respect of the charitable activities of the Charity, taking account of the return on investment for the whole of the year and the income needs of the Charity.

23. Taxation

HM Revenue & Customs has accepted the Charity as a Charity within the definition of Part 11 Corporation Tax Act 2010 with the result that the exemptions afforded by Part 11 are available to the extent that income and gains are applicable and applied to charitable purposes only.

It is considered that all income and gains of the Charity are applicable and applied to charitable purposes only and on this basis, no provision for taxation has been made.

THE EARLEY CHARITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

24. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(363,083)	(670,702)
Adjustments for:		
Depreciation charges	1,314	1,881
(Gains)/losses on investments	(1,283,722)	177,818
Dividends and interest from investments	(282,822)	(260,901)
Decrease in debtors	-	465
Increase/(decrease) in creditors	1,202,900	(225,704)
Net cash used in operating activities	(725,413)	(977,143)

25. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	1,602,868	1,448,281
Total cash and cash equivalents	1,602,868	1,448,281

26. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	1,448,281	154,587	1,602,868
	1,448,281	154,587	1,602,868

THE EARLEY CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

27. Pension commitments

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £4,116 (2020: £3,967). Contributions totalling £1,123 (2020: £1,093) were payable to the fund at the balance sheet date and are included in creditors.

28. Related party transactions

Funds belonging to the Charity amounting to £2,072 (2020: £2,132) have been used for the purchase of insurance to indemnify the Trustees against the consequence of any neglect or default on their part.

The Earley Charity appoints two of the Trustees of the Earley CResCent Community Association, Mr R Ames and Mr P Hooper. These appointments were made following a major grant award and as a condition of that grant award. During the year, The Earley Charity gave £65,926 (2020: £98,632) to the Earley CResCent Community Association with a further £192,852 (2020: £182,014) approved but unpaid at the balance sheet date and included within creditors. In addition to this The Earley Charity also signed a contract for a building extension at The Earley CResCent Centre. £1,269,423 (2020: £nil) was approved but unpaid at the balance sheet date and included within creditors.

Trustees, Dr D Jenkins and Dr D Sutton are on the Weller Centre management board. They are also members of the Weller Centre Advisory Board along with trustee, Mr P Hooper. These appointments were made following a major grant award and as a condition of that grant award. During the year, The Earley Charity gave £97,037 (2020: £88,948) to this organisation with a further £196,674 (2020: £177,896) approved but unpaid at the balance sheet date and included within creditors.

Trustee, Mrs M Waite is a partner of Aspire2. During the year, The Earley Charity paid £nil (2020: £22,000) in grants to Aspire2 with a further £10,000 (2020: £0) approved but unpaid at the balance sheet date and included within creditors..

Trustees, Dr D Jenkins and Dr D Sutton are members of the Reading International Solidarity Centre. During the year, The Earley Charity paid £43,770 (2020: £64,783) in grants to the Reading International Solidarity Centre. At the year end £87,539 (2020: £93,023) was approved but unpaid and included within creditors.

Councillor L Terry is an elected member of Reading Citizen Advice. During the year, The Earley Charity paid £10,000 (2020: £10,000) in grants to the Reading Citizen Advice. At the year end £nil (2020: £10,000) was approved but unpaid and included within creditors.

There were no other material transactions with Trustees or connected persons during the year.