

Coventry Building Society Charitable Foundation

(a company limited by guarantee)

Trustees' Annual Report & Financial Statements

31 December 2020

Registered number 03662832

Registered Charity number 1072244



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TRUST INFORMATION

| | |
|----------------------|--|
| Company number | 03662832 |
| Charity number | 1072244 |
| Trustees | Mr D Landon Mr T Crane Mrs T Jones |
| Secretary | Miss L Keogh |
| Registered office | Oak Tree Court Binley Business Park Harry Weston Road Coventry CV3 2UN |
| Independent auditors | PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT |
| Bankers | Coventry Building Society PO Box 9 High Street Coventry West Midlands CV1 5QN |

TRUSTEES' ANNUAL REPORT

The Trustees, who act as Directors for the purposes of company law, have pleasure in presenting the Trustees' Annual Report together with the audited financial statements for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Trustees do not propose to prepare a separate strategic report as the Charity is exempt from this requirement under s414A of the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

The name of the Charity is Coventry Building Society Charitable Foundation.

The Charity's registration number is 1072244. The Charity's principal address and registered office is Oak Tree Court, Binley Business Park, Harry Weston Road, Coventry, CV3 2UN.

The Charity Trustees, who act as Directors for the purposes of company law, are detailed on page 3.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity was incorporated on 2 November 1998 as a charitable company, limited by guarantee and has no share capital. It is governed by its memorandum and articles of association.

The Trustees have given due consideration to the Charity Commission published guidance on the operation of the public benefit requirement.

In 2012, the Charity appointed the Heart of England Community Foundation as sole administrator and distributor of funds received into the Charity. The Heart of England Community Foundation determines and distributes the donations in accordance with the distributorship agreement.

During 2020, the Trustees made the decision in response to the Covid-19 pandemic to reduce the geographical region covered by the distributorship agreement and increase the total grants available to individual charities and communities groups. This was done to focus on supporting local communities within the Coventry & Warwickshire area intrinsically affected by Covid-19. To this aim the Heart of England Community Foundation recruited its own dedicated internal panel to manage applications and distribute funds on behalf of the Charity.

TRUSTEES APPOINTMENT

Nominations for appointment are made based on suitability by either Coventry Building Society (the Society) or the Trustees.

Following appointment, training is given on the objectives, activities and governance of the Charity. Trustees are appointed to hold office for no more than seven years in aggregate.

COMPOSITION OF THE TRUSTEES

There were no changes to the composition of the Trustees during the year to 31 December 2020.

OBJECTIVES AND ACTIVITIES

The objective of the Charity is to provide a vehicle through which the Society can promote and support community and charitable purposes throughout the Coventry & Warwickshire area. Coventry Building Society currently donates £70,000 per annum to the Charity, which is distributed on behalf of the Charity by The Heart of England Community Foundation. As at 31 December 2020, £3,627 (2019: £7,395) of funds has been awarded but remains undistributed by the Heart of England.

TRUSTEES' REPORT (CONTINUED)

All awards are identified as The Coventry Building Society Charitable Foundation funding when granted. Priority is given to groups or activities aimed at improving the quality of life and opportunity among those who are disadvantaged by disability or other factors and at creating and supporting social and community development.

The Trustees have examined the main strategic, business and operational risks which the Charity faces. The main risks are; the funding risk of insufficient funds being available for distribution, the operational risk of the misappropriation of funds and the reputational risk of inappropriate donations being made or donations being made to a charity that does not meet the criteria. The Trustees are satisfied that systems are in place to mitigate any exposure to any such risks.

In March 2020, a new risk emerged in relation to the Covid-19 pandemic. As a result, the Trustees made the decision to direct funding towards charities and community groups within Coventry & Warwickshire that focus on supporting local communities intrinsically affected by the Covid-19 pandemic.

In addition to the annual donation, the Society provides secretarial and administrative support, use of facilities and time of personnel to assist the Trustees for which no charge is made. D Landon and T Crane are current employees of the Society.

The administrative expenses of the Foundation including the administration fees and annual management fee charged by the Heart of England Community Foundation of £11,000 (2019: £10,500) are borne by the Society.

ACHIEVEMENTS & PERFORMANCE

The main achievement of the Charity is to provide donations to The Heart of England Community Foundation for distribution. Please refer to the Objectives and Activities section for further information.

GOING CONCERN

The Charity is funded by donations from the Society. The Charity itself does not require funding as the Society provides, and will continue to provide, facilities and time of personnel. Therefore, there are no material uncertainties about the Charity's ability to continue as a going concern for the foreseeable future.

FINANCIAL REVIEW

In line with the Charity's objectives, the Charity has received total income of £70,004 (2019: £70,040). After donations and expenses, the net expenditure for the year amounted to £4,996 (2019: £40 net income). This deficit reduces the accumulated funds available for future distribution to £361 (2019: £5,357) as at 31 December 2020.

The Trustees have the power to invest money in shares, stocks, funds, securities, land, buildings and or other investments or property, as they think fit. However, no such investments have been made in either the current or prior year. Funds awaiting distribution are held on short term deposit. It is not the intention of the Trustees, in the long term, to create and hold undistributed reserves.

PLANS FOR FUTURE PERIODS

The Charity will continue to receive funds from the Society in the form of the standard donation distributed by the Heart of England Community Foundation. In addition to this the Charity will also receive additional donations from the Society which will be managed and distributed by the Charity. As a result the Charity will update its Framework Agreement with the Society to ensure appropriate governance and controls remain in place and operate effectively. As a result of this a Non adjusting event after the balance sheet date note has been added to the financial statements, see note 9.

FUNDS HELD AS CUSTODIAN FOR FUTURE PERIODS.

Neither the Charity nor the Trustees on its behalf holds any assets for another charity.

TRUSTEES' REPORT (CONTINUED)

INFORMATION FOR AUDITORS

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as each of them is aware, there is no relevant audit information of which the Charity's auditors is unaware, and each Trustee has taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant information and to establish that the Charity's auditor is aware of that information.

AUDITORS

PricewaterhouseCoopers LLP have indicated their willingness to remain in office. Therefore, a resolution for the re-appointment of PricewaterhouseCoopers LLP as auditors of the Charity will be proposed at the forthcoming Annual Trustees' Meeting.

Signed on behalf of the Trustees

A handwritten signature in black ink, consisting of several overlapping, fluid strokes, appearing to be the name 'Darin Landon'.

Darin Landon
Trustee
25 June 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Coventry Building Society Charitable Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COVENTRY BUILDING SOCIETY CHARITABLE FOUNDATION

Report on the audit of the financial statements

Opinion

In our opinion, Coventry Building Society Charitable Foundation's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the trustees' annual report & financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2020; the statement of financial activities (incorporating an income and expenditure account), and the notes to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the trustees' annual report & financial statements other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COVENTRY BUILDING SOCIETY CHARITABLE FOUNDATION (CONTINUED)

Trustees' Annual Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the trustees' annual report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the trustees' annual report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the responsibilities of trustees statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journals. Audit procedures performed included:

- Making inquiries of those charged with governance in relation to known or suspected instances of fraud or non-compliance with laws and regulations;
- Identifying and testing manual journal entries based on defined fraud risk criteria;
- Incorporation of an element of unpredictability in our testing through altering the nature, timing and/or extent of work performed.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COVENTRY BUILDING SOCIETY CHARITABLE FOUNDATION (CONTINUED)

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the trustees were not entitled to: prepare financial statements in accordance with the small companies' regime; and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.



William Elliott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 June 2021

STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

| | Notes | Unrestricted Funds | |
|------------------------------------|-------|--------------------|-----------------|
| | | 2020 £ | 2019 £ |
| Income from: | | | |
| Investments | 2 | 4 | 40 |
| Donations | 3 | 70,000 | 70,000 |
| Total income | | 70,004 | 70,040 |
| Expenditure on: | | | |
| Charitable activities | 4 | (75,000) | (70,000) |
| Total expenditure | | (75,000) | (70,000) |
| Net (expenditure) / income | | (4,996) | 40 |
| Reconciliation of funds: | | | |
| Total funds brought forward | | 5,357 | 5,317 |
| Total funds carried forward | | 361 | 5,357 |

There are no recognised gains or losses during the current year other than the results for the year stated above (2019: nil). All funds are unrestricted.

The results are wholly derived from the continuing operations of the Charity.

The accounting policies and notes on pages 13 to 15 form part of these accounts.

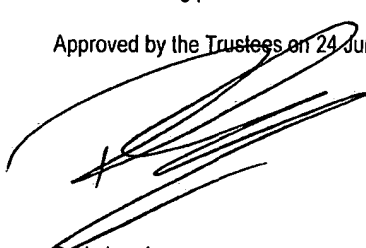
BALANCE SHEET
AS AT 31 DECEMBER 2020
REGISTRATION NUMBER: 03662832

| | Notes | 2020 £ | 2019 £ |
|----------------------------------|-------|------------|--------------|
| Current assets | | | |
| Investments | 5 | 361 | 5,327 |
| Debtors | 6 | - | 30 |
| Total current assets | | 361 | 5,357 |
| Total net assets | | 361 | 5,357 |
| The funds of the charity: | | | |
| Unrestricted funds | | 361 | 5,357 |
| Total charity funds | | 361 | 5,357 |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime, in accordance with FRS 102 and the Companies Act 2006 Section 414.

The accounting policies and notes on pages 13 to 15 form part of these accounts.

Approved by the Trustees on 24 June 2021.


Darin Landon
Trustee
25 June 2021

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

BASIS OF PREPARATION

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared in accordance with the Companies Act 2006. The financial statements have been prepared on an historical cost basis under the accruals concept other than as stated below. The Charity has taken advantage of the small company exemption from preparing a cash flow statement.

DONATION AND GIFTS

Donations and gifts are accounted for as they are received. Any related tax credits are accounted for on an accruals basis.

2. INVESTMENT INCOME

| | 2020 £ | 2019 £ |
|--------------------------|-----------|-----------|
| Building Society Account | 4 | 40 |

The investment income is received from an account held with the Society.

3. VOLUNTARY INCOME

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Donations from Coventry Building Society | 70,000 | 70,000 |

4. CHARITABLE ACTIVITIES

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Charitable donations made during the year | 75,000 | 70,000 |

At 31 December 2020 £3,627 (2019: £7,395) of indirect charitable expenditure has been awarded but remains undistributed by the Heart of England (note 8).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. INVESTMENTS

| | 2020 | 2019 |
|--|------|-------|
| | £ | £ |
| Funds held on deposit with Coventry Building Society | 361 | 5,327 |

6. DEBTORS

| | 2020 | 2019 |
|--------------------------------|------|------|
| | £ | £ |
| Prepayments and accrued income | - | 30 |

7. RELATED PARTY TRANSACTIONS

There are no employees of the Charity. The expenses of the Charity are borne by the Society, including Trustees remuneration of £nil. The audit fee of £15,000 (2019: £10,000) is borne by the Society. No non-audit services were provided by the Charity's auditor during the year.

The Trustees deposit donations received, and withdraw donations made, from an account held with the Society. The Charity received £4 investment income on this account.

Coventry Building Society is considered to be a related party. The administrative expenses of the Foundation including the administration fees and annual management fee charged by the Heart of England Community Foundation of £11,000 (2019: £10,500) are borne by the Society.

There were no other transactions or balances with any related parties.

8. INDIRECT CHARITABLE EXPENDITURE

Grants were awarded to the following charitable foundations:

| | 2020 | 2019 |
|--|---------------|---------------|
| | £ | £ |
| Heart of England Community Foundation | 75,000 | 23,786 |
| Birmingham & Black Country Community Foundation | - | 8,925 |
| Northamptonshire Community Foundation | - | 1,750 |
| Oxfordshire Community Foundation | - | 6,944 |
| Somerset Community Foundation | - | 1,169 |
| Staffordshire Community Foundation | - | 1,169 |
| Wales Community Foundation | - | 1,169 |
| Gloucestershire Community Foundation | - | 8,925 |
| Milton Keynes Community Foundation | - | 1,169 |
| Nottinghamshire Community Foundation | - | 1,169 |
| Quartet Community Foundation | - | 4,956 |
| South Yorkshire Community Foundation | - | 1,169 |
| Swindon & Wiltshire Community Foundation | - | 5,950 |
| Leicestershire, Leicester & Rutland Community Foundation | - | 1,750 |
| Total Indirect Charitable Expenditure | 75,000 | 70,000 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

During 2020, the Trustees made the decision to reduce the geographical region covered by the distributorship agreement and focus on community groups purely within the Coventry & Warwickshire area.

As at 31 December 2020, £3,627 of funds have been awarded but remains undistributed by the Heart of England (2019: £7,395).

9. NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

Separate to the £70,000 per annum currently donated by the Society, since 31 December 2020 and up to the date of the approval of the financial statements, the Society has donated an additional £314,981 to the Charity, with a further £3,647 donated by the non executive directors of the Society.

These monies are considered by the Charity to be a wholly charitable donation with no recourse and the monies will be recognised as donation income in the year ended 31 December 2021 Charity financial statements.

The donation will be distributed by the Charity with oversight and approval for distributions carried out by the Trustees in accordance with due diligence and monitoring processes.