

Registered number: 00588731
Charity number: 221462

Christian Publishing & Outreach Limited
(A company limited by guarantee)

Unaudited

Trustees' report and financial statements

for the 2 month period ended 31 December 2020



Christian Publishing & Outreach Limited
(A company limited by guarantee)

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Christian Publishing & Outreach Limited
(A company limited by guarantee)

**Reference and administrative details of the Company, its Trustees and advisers
for the 2 month period ended 31 December 2020**

Trustees

Mr M R Elms, Chairman
Mrs R J Steeden
Mrs C J Breuning
Mr T W Russoff
Mr T H Rayner
Mr S R Allaby
Mrs A C Allchorn (appointed 17 June 2021)

Company registered number

00588731

Charity registered number

221462

Registered office

1 Easting Close, Worthing, England, BN14 8HQ

Chief executive officer

Mr A J Hare

Key management personnel

Mr A J Hare, CEO
Mr P T Arkinstall, Chief Partnership Officer
Mr S J Smith, Chief Creative Officer

Accountants

Kreston Reeves LLP, 9 Donnington Park, 85 Birdham Road, Chichester, West Sussex, PO20 7AJ

Bankers

Barclays Corporate, PO Box 165, Crawley, West Sussex, RH10 1YX

Unity Trust Bank plc, Nine Brindleyplace, Birmingham, B1 2HB

Solicitors

Bate & Albon Solicitors, 4-8 Broadwater Street East, Worthing, West Sussex, BN14 9AA (Property)

Edward Connor Solicitors, 39 The Point, Market Harborough, Leicestershire, LE16 7QU (General)

Christian Publishing & Outreach Limited
(A company limited by guarantee)

Trustees' report
for the 2 month period ended 31 December 2020

The Trustees present their annual report together with the unaudited financial statements of the Company for the 2 month period 1 November 2020 to 31 December 2020. The Annual report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company'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 (FRS102) (effective 1 January 2019).

Since the Group and the Company qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

During the period, the Group changed its period end from 31 October to 31 December. The current period results represent 2 months. Therefore the comparatives are not entirely comparable.

Structure, Governance and Management

Governing Document

Christian Publicity Ltd was established in 1957 and changed its name to become Christian Publishing & Outreach Ltd (CPO) in 2014. CPO is a charitable company limited by guarantee and governed by a Memorandum & Articles of Association. It is a registered charity with the Charity Commission for England & Wales.

Organisational structure

CPO has been providing inspiring communications to churches and the wider Christian community in the UK since 1957. The main activities are:-

- An online Shop selling cards, posters, banners, notice boards and many ranges of other products
- A creative and design studio developing products for the Shop and a comprehensive creative service for Christian Charities and Church organisations
- A Print and Fulfilment service for Church organisations and Charities
- A Publishing and Distribution activity for magazines

CPO currently carries out all primary purpose activities of the charity. All non-primary purpose trading is conducted through a subsidiary company, Heritage Studios Ltd. Separate accounts are available for the subsidiary company.

Objectives and aims

CPO has always existed to

"Advance the Gospel of our Lord Jesus Christ

- by display, publicity, and advertising,
- by assisting churches and other organisations
 - for the advancement of the Christian faith
 - with their display, publicity, and advertising, and
- by such other means being charitable as may be determined by the charity."

As an organisation whose focus is communication, CPO inevitably seeks to improve the relevance of the language it uses. A more modern rendering of that original wording would be:-

"Helping Christians Help People Encounter Jesus"

Christian Publishing & Outreach Limited
(A company limited by guarantee)

Trustees' report (continued)
for the 2 month period ended 31 December 2020

Our mission is to create inspiring communications, using all media types, which convey the gospel in an attractive and compelling way to everyone, irrespective of their familiarity with Christianity. In fulfilling our objects and mission we seek to:

- make a national impact by providing Churches with inspirational resources in order to revitalise its communications and take the good news of Jesus Christ out into the world
- help Christian organisations creatively communicate their services to supporters and the wider Church network
- be the UK's leading developer and provider of innovative Christian resources and media.
- be a dynamic, flexible, proactive, client centric, organisation committed to excellence and productive partnerships.

Governance

The charity is administered by a trustee board which is appointed in accordance with the Articles of Association. The trustees are responsible for the proper handling of the affairs of the charity. The trustees are responsible to the charity commissioners for the maintenance of the charitable objects of the charity. All trustees are volunteers who give their time freely. No-one was paid to contribute as a trustee during the year.

Recruitment and appointment of new Trustees

There were six trustees during the period and one new trustee has been appointed since then. The board of trustees recognises the ongoing need to continue to seek out people with the requisite skills and experience to add to the governing body of the charity and we were pleased to welcome a new trustee with a strong governance background and good connections across the UK Christian world.

Induction and training of new trustees

All new trustees seek to familiarise themselves with the work of the charity and its subsidiary company. This includes meeting both the directors and key employees and understanding the processes and systems that are in place.

Chief Executive and Senior Management Team

A Chief Executive appointed by the board of trustees leads a senior management team that is appointed to manage the charity on behalf of the trustees. The Chief Executive reports to the trustees on a regular basis and formally at trustee board meetings.

Pay and remuneration of the senior management team is set with reference to the prevailing market rates for similar third sector roles, responsibilities and levels of experience and is reviewed and approved by the trustees.

Trustee meetings

The trustee board meets regularly whether physically or virtually. The Chief Executive attends each meeting with members of the Management Team invited as required by the Trustees. Group policies are reviewed annually, in four batches during the year. Trustees use operational knowledge provided by the staff team, to inform and make strategic and policy decisions.

Trustees are required to declare conflicts of interest at any meeting and withdraw from decisions where a conflict of interest arises.

Overview (including COVID-19 Impact)

The last Annual Report noted that a staff consultation process had been necessary as a result of the Covid pandemic and had concluded with the Trustees launching a restructured CPO, totally committed to maintaining the original vision, on 1 August 2020.

Christian Publishing & Outreach Limited
(A company limited by guarantee)

Trustees' report (continued)
for the 2 month period ended 31 December 2020

Strategy

Regular Strategy reviews by the trustees and Management Team have ensured that decisions about how to respond to the immediate pressures caused by the Covid pandemic, on top of the financial pressure endemic in the previous business model, have been based on a solid strategic foundation. The external professional review was also invaluable in affirming the Board's plans.

STRUCTURE

A key aspect to the restructured CPO was the emphasis on protecting and nurturing CPO's 3 key assets. This is demonstrated by the three 'Chief Officer' positions in the new structure:-

Chief Creative Officer - To expand our Creative assets (physical and digital)

This was a very deliberate switch from 'Design' to 'Creative' to reflect that communications today are much broader than graphic design and cover the whole range of 'creative' skills (e.g., video, song, music, spoken word, etc). CPO now works with a wide range of external consultants and experts.

Chief Partnership Officer - Our 'one-stop' service (our default answer is 'yes, we can sort that!')

CPO has a reputation as a 'one-stop' shop after decades of rising to communications challenges from churches and charities. That applies equally to digital or print situations presented to us; and our Christmas 2020 campaign, "Share the Light" connected the two through the use of QR codes.

Chief Marketing Officer - Our database assets (20,000 churches and over a hundred charities)

An industry expert has commented on the strong loyalty of the churches on the CPO database who respond strongly to the regular emails sent to them. Very often, those emails include references to the many charities with whom we work as partners to 'advance the gospel'.

PROJECTS

The Management Team is focussed on developing three key projects for the Board to deliver the aims of the restructured organisation:-

Creative Thought Leadership

We use our creative gifts and technological know-how to help Charities and churches remain true to their values while bringing their message and vision to life across today's complex communications landscape.

Digital Transformation

When the first lockdown took effect in March and April 2020, CPO mailed out a handbook to help churches to continue to provide their services in the new virtual church landscape. As that morphed into 'hybrid' church, CPO continued to support them with digital and social media as well as providing guidance on language and tone: both critical for communicating well in the new digital world 'outside the church building'.

Kingdom Collaboration

CPO believes that collaboration and co-operation are essential as it seeks to see God's kingdom grow and works with other organisations to supply services to churches as well as signposting partners with greater resources.

CULTURE

Agile

The restructuring resulted in a 1/3rd reduction in staffing and a 'flat' 'two-step' operational structure. The result is a more agile management of the business and increased responsibility and accountability by all employees. Decision making and client service are much improved as a result.

Business Focused

The restructuring also improved the focus on ensuring that every activity of the organisation is subject to financial/business scrutiny and to generating future, financially prudent, revenue streams.

Christian Publishing & Outreach Limited
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Trustees' report (continued)
for the 2 month period ended 31 December 2020

Client Centric

The many notes of thanks and appreciation from churches are testimony to the attention given by our staff to understanding and meeting the many different needs of church customers and the repeat business from our charity clients supports the similar notes we continuously receive from them.

Staff

The trustees wish to place on record their thanks for and appreciation of the hard work and dedication of all the staff who have served with CPO during significant challenges. Their care and attention for CPO has been mirrored in the way they service our church and charity clients. The ongoing success of the organisation is very largely attributable to them

Related parties

As noted above all primary purpose trading is held directly within Christian Publishing & Outreach (the charity) and there is one active wholly owned subsidiary company, Heritage Studios Ltd, for non-primary purpose trading. Heritage Studios publishes Funeral Service Journal.

Risk Management

The charity has a range of risk management policies and procedures, and reviews these regularly to ensure they remain current and appropriate. Relevant action is taken where necessary. Every area of work has a detailed list of all the activities, the risks associated with that area and the action taken to mitigate risk. These include fire assessment, business continuity, major illness, working with VDUs, COSHH, PPE and manual handling. Health and Safety is reviewed regularly at both senior management and trustee board meetings. An extensive external health & safety audit was undertaken at CPO's new premises in the summer of 2018, and this has been continued.

Public Benefit

The Trustees have considered the guidelines issued by the Charity Commission with regard to public benefit and how the charity complies with these requirements. They are confident that they have complied with the duty in section 17(5) of the Charities Act 2011 with regard to public benefit.

The charity makes available to Christian organisations its range of materials and services without the exclusion of any denomination within the Christian religion.

ACHIEVEMENT AND PERFORMANCE

The activities of the charity are wide-ranging across a number of areas. During the year to date we have been able to demonstrate significant progress in fulfilling the mission of CPO.

Financial Review

Summary

The financial resources available to CPO during the year have enabled us to continue our mission and support churches and charities in their work to advance the gospel. We are grateful to God for his continued provision through this uniquely difficult period and bringing us to a new position from which we can continue to do that.

CPO's financial resources improved through the 2 months covered by this report - from £123,275 to £187,595. The changes implemented in the restructuring were designed to ensure that CPO was operating on a 'break-even' basis in a non-pandemic world. Performance since then has been encouraging and early indications are that this will be achieved.

Christian Publishing & Outreach Limited
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Trustees' report (continued)
for the 2 month period ended 31 December 2020

Going concern

The Trustee Board recognized that the previous structure of the organisation was depleting resources and took action to address this and effect a transition to a new and more sustainable business model. These accounts only recognise two months of trading under the new business model, but the Trustee Board are encouraged from the subsequent monitoring of results that the going concern basis remains appropriate for the accounts as detailed in the Accounting Policies.

Reserves policy

Total funds at the balance sheet date were £187,595 (31 October 2020: £123,275). Of these, £nil (31 October 2020: £nil) are held as restricted funds and £170,871 (31 October 2020: £181,705) are held as tangible fixed assets. This leaves free reserves of £16,724 (31 October 2020: a deficit on free reserves of £58,430).

The Trustees keep the level of the charity reserves under review. They have reduced significantly since the cash generated from the sale of the freehold property in the summer of 2018 as the Trustees have drawn on them to finance through the financial challenges of the years preceding the restructuring implemented at the beginning of August 2020.

Plans for future periods

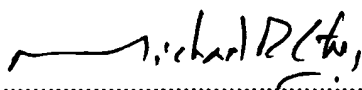
The Trustees and Operational Management are committed to the Strategy defined above and are confident that the restructured organisation can continue to provide an ever growing and valued service to churches and charities in furtherance of its mission.

Information on fundraising practices

The charity receives donations through its website, from customers opting to round up the value of their orders, and occasionally from major donors and trusts.

Due to the limited nature of the fundraising activities currently undertaken, the charity does not formally monitor compliance with the Code of Fundraising Practice. The charity does not consider that any of its fundraising activities constitute unreasonable intrusion on a person's privacy, unreasonably persistent approaches, or undue pressure to give. Requests are only made to those who are already customers and supporters of the charity and people can unsubscribe at any time. The charity does not work with any commercial participators or professional fundraisers.

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



.....
Mr M Elms, Chairman

Date: 23-09-21

Christian Publishing & Outreach Limited
(A company limited by guarantee)

Statement of Trustees' responsibilities
for the 2 month period ended 31 December 2020

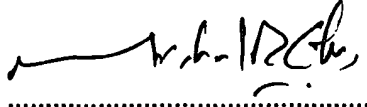
The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial 2 month period. 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 affairs of the Group and the Company and of their incoming resources and application of resources, including their 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



.....
Mr M Elms, Chairman

Date: 23-09-21

Christian Publishing & Outreach Limited
(A company limited by guarantee)

Independent examiner's report
for the 2 month period ended 31 December 2020

Independent examiner's report to the Trustees of Christian Publishing & Outreach Limited ('the Group')

I report to the charity Trustees on my examination of the consolidated accounts of the Group comprising the Christian Publishing & Outreach Limited ('the parent Company') and its subsidiary undertakings for the 2 month period ended 31 December 2020.

Responsibilities and basis of report

As the Trustees of the parent Company (and its directors for the purposes of company law) you are responsible for the preparation of the consolidated accounts of the Group in accordance with the requirements of the Companies Act 2006 ('the 2006 Act') and you have chosen to prepare consolidated accounts for the Group. You are satisfied that the accounts of both parent Company and the Group are not required by either company or charity law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the consolidated accounts are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Group's accounts carried out under section 152 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 152(5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the consolidated accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

Since the Trustees have opted to prepare consolidated accounts for the Group your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants of England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the parent Company and its subsidiaries as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Christian Publishing & Outreach Limited
(A company limited by guarantee)

Independent examiner's report (continued)
for the 2 month period ended 31 December 2020

This report is made solely to the Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the parent Company and the Company's Trustees as a body, for my work or for this report.

Signed:  Dated: 24 September 2021

Simon Webber

BA (Hons), DCha, FCA

Kreston Reeves LLP

Chartered Accountants

Chichester

Christian Publishing & Outreach Limited
(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
for the 2 month period ended 31 December 2020

		Unrestricted funds 2 months ended 31 December 2020 £	Total funds 2 months ended 31 December 2020 £	Total funds 18 months ended 31 October 2020 £
	Note			
Income from:				
Donations and legacies	2	1,878	1,878	119,336
Charitable activities	3	310,784	310,784	2,553,276
Investments	4	-	-	333
		<u>312,662</u>	<u>312,662</u>	<u>2,672,945</u>
Total income				
Expenditure on:				
Raising funds	5	6,403	6,403	11,365
Charitable activities	6	241,939	241,939	2,987,718
		<u>248,342</u>	<u>248,342</u>	<u>2,999,083</u>
Total expenditure				
		<u>64,320</u>	<u>64,320</u>	<u>(326,138)</u>
Net movement in funds				
Reconciliation of funds:				
Total funds brought forward		123,275	123,275	449,413
Net movement in funds		64,320	64,320	(326,138)
		<u>187,595</u>	<u>187,595</u>	<u>123,275</u>
Total funds carried forward				

The Consolidated statement of financial activities includes all gains and losses recognised in the 2 month period.

The notes on pages 15 to 36 form part of these financial statements.

Christian Publishing & Outreach Limited
(A company limited by guarantee)
Registered number: 00588731

Consolidated balance sheet
as at 31 December 2020

	Note	31 December 2020 £	31 October 2020 £
Fixed assets			
Tangible assets	12	170,871	181,704
		<u>170,871</u>	<u>181,704</u>
Current assets			
Stocks	14	30,653	30,307
Debtors	15	105,398	171,536
Cash at bank and in hand		243,357	169,497
		<u>379,408</u>	<u>371,340</u>
Creditors: amounts falling due within one year	16	(274,922)	(335,435)
Net current assets		<u>104,486</u>	<u>35,905</u>
Total assets less current liabilities		<u>275,357</u>	<u>217,609</u>
Creditors: amounts falling due after more than one year	17	(87,762)	(94,334)
Net assets		<u>187,595</u>	<u>123,275</u>
Total net assets		<u><u>187,595</u></u>	<u><u>123,275</u></u>
Charity funds			
Restricted funds	19	-	-
Unrestricted funds	19	187,595	123,275
Total funds		<u><u>187,595</u></u>	<u><u>123,275</u></u>

Christian Publishing & Outreach Limited
(A company limited by guarantee)
Registered number: 00588731

Consolidated balance sheet (continued)
as at 31 December 2020

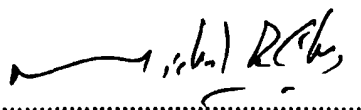
The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the 2 month period in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



.....
Mr M Elms, Chairman

Date: 23-09-21

The notes on pages 15 to 36 form part of these financial statements.

Christian Publishing & Outreach Limited
(A company limited by guarantee)
Registered number: 00588731

Company balance sheet
as at 31 December 2020

	Note	31 December 2020 £	31 October 2020 £
Fixed assets			
Tangible assets	12	170,871	181,704
Investments	13	1	1
		<u>170,872</u>	<u>181,705</u>
Current assets			
Stocks	14	30,653	30,307
Debtors	15	63,158	132,688
Cash at bank and in hand		202,427	132,866
		<u>296,238</u>	<u>295,861</u>
Creditors: amounts falling due within one year	16	(254,247)	(318,352)
Net current assets / liabilities		<u>41,991</u>	<u>(22,491)</u>
Total assets less current liabilities		<u>212,863</u>	<u>159,214</u>
Creditors: amounts falling due after more than one year	17	(87,762)	(94,334)
Net assets excluding pension asset		<u>125,101</u>	<u>64,880</u>
Total net assets		<u><u>125,101</u></u>	<u><u>64,880</u></u>
Charity funds			
Restricted funds	19	-	-
Unrestricted funds	19	125,101	64,880
Total funds		<u><u>125,101</u></u>	<u><u>64,880</u></u>

Christian Publishing & Outreach Limited
(A company limited by guarantee)
Registered number: 00588731

Company balance sheet (continued)
as at 31 December 2020

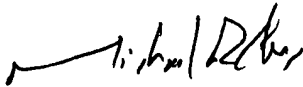
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The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



.....
Mr M Elms, Chairman

Date: 23-09-21

The notes on pages 15 to 36 form part of these financial statements.

Christian Publishing & Outreach Limited
(A company limited by guarantee)

Notes to the financial statements
for the 2 month period ended 31 December 2020

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 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Christian Publishing & Outreach Limited 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.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all financial periods presented unless otherwise stated.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.3 Going concern

As explained in the Trustees' Report, a full restructuring of the charity took place in August 2020. The changes implemented ensure that the charity can operate on at least a 'break-even' basis in a non-pandemic world with a new and sustainable business model from which to look for growth. Performance since then has been encouraging and early indications are that, based on sales forecasts and expected cost savings, the charity will have sufficient income to cover its costs in 2021. Furthermore, when including the subsidiary results, a small surplus is forecast for the group. The sales element of the forecasts is based on several assumptions and include an allowance for growth, but the customer base is now more diverse and the organisation more reactive to changes in customer requirements. The charity's free reserves are no longer in deficit. It received a bounce back loan in the prior period and this funding is repayable over a five-year period meaning working capital is secure in the short to medium term.

Accordingly the Trustees remain confident that the operation continues to be a going concern for a period of at least twelve months from the date of approval of these accounts and beyond.

1.4 Income

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

Government grants are recognised in the Consolidated statement of financial activities as the related expenditure is incurred.

Christian Publishing & Outreach Limited
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Notes to the financial statements
for the 2 month period ended 31 December 2020

1. Accounting policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a 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. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group 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 Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.6 Interest receivable

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

1.7 Basis of consolidation

The financial statements consolidate the accounts of Christian Publishing & Outreach Limited and all of its subsidiary undertakings ('subsidiaries').

The charitable company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own income and expenditure account.

The income and expenditure account for the 2 month period/18 month period, for the charitable company, was net income of £60,221 (2020 - net expenditure of £336,995).

1.8 Goodwill

The goodwill was originally purchased in 2011 for £238,000 and has been amortised over a 5 year period.

1.9 Tangible fixed assets and depreciation

Tangible fixed assets purchased or donated with a cost of value exceeding £500 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.

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Notes to the financial statements
for the 2 month period ended 31 December 2020

1. Accounting policies (continued)

1.9 Tangible fixed assets and depreciation (continued)

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. Land is not depreciated.

Depreciation is provided on the following bases:

Leasehold improvements	- 10% straight line
Plant and machinery	- 20% straight line
Fixtures and fittings	- 15% straight line
Computer equipment	- 33% straight line

1.10 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.12 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.

1.13 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.

1.14 Liabilities and provisions

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 Company 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.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

1.15 Financial instruments

The Group 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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Notes to the financial statements
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1. Accounting policies (continued)

1.16 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.17 Operating leases

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

1.18 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the 2 month period.

1.19 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.20 Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

1.21 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

1.22 Redundancy and termination payments

It is the charitable company's policy to recognise termination benefits when they become committed, by legislation, by contractual or other agreements with employees or their representatives or by a constructive obligation based on business practice, custom or a desire to act equitably, to make payments (or provide other benefits) to employees when it terminates their employment. Termination payments do not provide the company with future economic benefits therefore it is their policy to recognise them as an expense in profit or loss immediately.

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Notes to the financial statements
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2. Income from donations and legacies

	Unrestricted funds 2 months ended 31 December 2020 £	Total funds 2 months ended 31 December 2020 £	Total funds 18 months ended 31 October 2020 £
Donations	1,878	1,878	21,253
Government grants	-	-	98,083
	<u>1,878</u>	<u>1,878</u>	<u>119,336</u>
Total 18 months ended 31 October 2020	<u>119,336</u>	<u>119,336</u>	

Included within government grants are £nil (18 months ended 31 October 2020 - £98,083) relating to the Coronavirus Job Retention Scheme.

3. Income from charitable activities

	Unrestricted funds 2 months ended 31 December 2020 £	Total funds 2 months ended 31 December 2020 £	Total funds 18 months ended 31 October 2020 £
Printing and publishing	310,784	310,784	2,553,276
	<u>310,784</u>	<u>310,784</u>	<u>2,553,276</u>
Total 18 months ended 31 October 2020	<u>2,553,276</u>	<u>2,553,276</u>	

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Notes to the financial statements
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4. Investment income

	Unrestricted funds 2 months ended 31 December 2020 £	Total funds 2 months ended 31 December 2020 £	Total funds 18 months ended 31 October 2020 £
Investment income - local cash	-	-	333
	<u>333</u>	<u>333</u>	
Total 18 months ended 31 October 2020			
	<u>333</u>	<u>333</u>	

5. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2 months ended 31 December 2020 £	Total funds 2 months ended 31 December 2020 £	Total funds 18 months ended 31 October 2020 £
Marketing	6,403	6,403	11,365
	<u>11,365</u>	<u>11,365</u>	
Total 18 months ended 31 October 2020			
	<u>11,365</u>	<u>11,365</u>	

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Notes to the financial statements
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6. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2 months ended 31 December 2020 £	Unrestricted funds 2 months ended 31 December 2020 £	Total funds 2 months ended 31 December 2020 £	Total funds 18 months ended 31 October 2020 £
Printing and publishing	-	241,939	241,939	2,987,718
Total 18 months ended 31 October 2020	2,803	2,984,915	2,987,718	

Summary by expenditure type

	Staff costs 2 months ended 31 December 2020 £	Depreciation 2 months ended 31 December 2020 £	Other costs 2 months ended 31 December 2020 £	Total funds 2 months ended 31 December 2020 £	Total funds 18 months ended 31 October 2020 £
Printing and publishing	90,280	10,832	140,827	241,939	2,987,718
Total 18 months ended 31 October 2020	1,234,538	102,104	1,651,076	2,987,718	

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Notes to the financial statements
for the 2 month period ended 31 December 2020

7. Analysis of expenditure by activities

	Activities undertaken directly 2 months ended 31 December 2020 £	Support costs 2 months ended 31 December 2020 £	Total funds 2 months ended 31 December 2020 £	Total funds 18 months ended 31 October 2020 £
Printing and publishing	164,540	77,399	241,939	2,987,718
Total 18 months ended 31 October 2020	<u>2,229,543</u>	<u>758,175</u>	<u>2,987,718</u>	

Analysis of direct costs

	Printing and publishing 2 months ended 31 December 2020 £	Total funds 2 months ended 31 December 2020 £	Total funds 18 months ended 31 October 2020 £
Staff costs	79,176	79,176	967,102
Publishing of evangelistic literature	85,364	85,364	1,260,476
Charitable donations	-	-	1,965
	<u>164,540</u>	<u>164,540</u>	<u>2,229,543</u>
Total 18 months ended 31 October 2020	<u>2,229,543</u>	<u>2,229,543</u>	

Included within publishing of evangelistic literature was £nil (18 months ended 31 October 2020: £838) expenditure from restricted funds, and included within charitable donations was £nil (18 months ended 31 October 2020: £1,965) expenditure from restricted funds. All other direct costs were from unrestricted funds in the 2 month period ended 31 December 2020 and the 18 month period ended 31 October 2020.

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7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Printing and publishing 2 months ended 31 December 2020 £	Total funds 2 months ended 31 December 2020 £	Total funds 18 months ended 31 October 2020 £
Staff costs	11,104	11,104	267,436
Depreciation	10,832	10,832	102,104
Office costs	31,781	31,781	269,284
Repairs, renewals and equipment hire	1,255	1,255	(940)
Finance costs	10,245	10,245	47,218
Legal and professional	8,830	8,830	55,666
Marketing	50	50	50
Governance costs	3,302	3,302	17,357
	<u>77,399</u>	<u>77,399</u>	<u>758,175</u>
Total 18 months ended 31 October 2020	<u>758,175</u>	<u>758,175</u>	

8. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examiner fee of £2,260 (18 month period ended 31 October 2020 - audit fee of £9,500), and other accountancy services of £1,000 (18 month period ended 31 October 2020 - £7,337).

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Notes to the financial statements
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9. Staff costs

	Group 2 months ended 31 December 2020 £	Group 18 months ended 31 October 2020 £	Company 2 months ended 31 December 2020 £	Company 18 months ended 31 October 2020 £
Wages and salaries	79,447	1,098,237	72,298	1,037,473
Social security costs	6,533	78,059	6,533	78,059
Contribution to defined contribution pension schemes	4,300	58,242	4,300	58,242
	90,280	1,234,538	83,131	1,173,774

Total redundancy and termination payments included in wages and salaries amount to £nil (18 months ended 31 October 2020: £54,555)

The average number of persons employed by the Company during the 18 month period was as follows:

	Group 2 months ended 31 December 2020 No.	Group 18 months ended 31 October 2020 No.
Charitable staff	18	28
Administration	3	4
	21	32

The average headcount expressed as full-time equivalents was:

	Group 2 months ended 31 December 2020 No.	Group 18 months ended 31 October 2020 No.
Charitable staff	15	22
Administration	3	4
	18	26

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Notes to the financial statements
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9. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2 months ended 31 December 2020 No.	Group 18 months ended 31 October 2020 No.
In the band £60,001 - £70,000	-	1
In the band £80,001 - £90,000	-	1
	2 months ended 31 December 2020 £	18 months ended 31 October 2020 £
Total key management personnel remuneration in the period:		
Salaries and wages, including benefits in kind	17,167	226,758
Social security costs	1,763	23,092
Pension costs	2,560	27,427
	21,490	277,277

10. Trustees' remuneration and expenses

During the 2 month period, no Trustees received any remuneration or other benefits (18 month period ended 31 October 2020 - £nil).

During the 2 month period ended 31 December 2020, no Trustee expenses have been incurred (18 month period ended 31 October 2020 - 3 Trustees reimbursed for expenses amounting to £72).

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Notes to the financial statements
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11. Intangible assets

Group

	Goodwill £
Cost	
At 1 November 2020	238,000
At 31 December 2020	238,000
Amortisation	
At 1 November 2020	238,000
At 31 December 2020	238,000
Net book value	
At 31 December 2020	-
At 31 October 2020	-

Intangible fixed assets represent the total consideration payable regarding the goodwill acquired by Heritage Studios Limited in respect of its purchase of the title to the Funeral Services Journal.

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Notes to the financial statements
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12. Tangible fixed assets

Group and Company

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 November 2020	76,406	430,229	5,214	47,691	559,540
Disposals	-	-	-	(3,630)	(3,630)
At 31 December 2020	<u>76,406</u>	<u>430,229</u>	<u>5,214</u>	<u>44,061</u>	<u>555,910</u>
Depreciation					
At 1 November 2020	16,112	331,488	4,100	26,136	377,836
Charge for the 2 month period	1,283	7,174	97	2,279	10,833
On disposals	-	-	-	(3,630)	(3,630)
At 31 December 2020	<u>17,395</u>	<u>338,662</u>	<u>4,197</u>	<u>24,785</u>	<u>385,039</u>
Net book value					
At 31 December 2020	<u>59,011</u>	<u>91,567</u>	<u>1,017</u>	<u>19,276</u>	<u>170,871</u>
At 31 October 2020	<u>60,294</u>	<u>98,741</u>	<u>1,114</u>	<u>21,555</u>	<u>181,704</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	31 December 2020 £	31 October 2020 £
Group and company		
Plant and machinery	44,613	89,721
	<u>44,613</u>	<u>89,721</u>

The depreciation charge for the 2 month period consists of £4,389 (18 month period ended 31 October 2020: £42,386) depreciation on tangible fixed assets owned by the charitable group and £6,444 (18 month period ended 31 October 2020: £57,978) depreciation on tangible fixed assets held under finance leases.

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Notes to the financial statements
for the 2 month period ended 31 December 2020

13. Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2020	1
	<hr/>
At 31 December 2020	1
	<hr/> <hr/>
Net book value	
At 31 December 2020	1
	<hr/>
At 31 October 2020	1
	<hr/> <hr/>

Principal subsidiaries

The following were subsidiary undertakings of the Company:

Names	Company number	Principal activity	Class of shares	Holding
Heritage Studios Limited	05298514	Design, printing, publishing and distribution of the Funeral Services Journal	Ordinary	100%

**Included in
consolidation**

Yes

The financial results of the subsidiaries for the period were:

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Notes to the financial statements
for the 2 month period ended 31 December 2020

13. Fixed asset investments (continued)

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the period £	Net assets £
Heritage Studios Limited	34,895	30,797	4,098	62,494

14. Stocks

	Group 31 December 2020 £	Group 31 October 2020 £	Company 31 December 2020 £	Company 31 October 2020 £
Finished goods and goods for resale	30,653	30,307	30,653	30,307

15. Debtors

	Group 31 December 2020 £	Group 31 October 2020 £	Company 31 December 2020 £	Company 31 October 2020 £
Trade debtors	70,407	135,820	29,553	97,712
Other debtors	20,413	23,376	20,413	23,376
Prepayments and accrued income	14,578	12,340	13,192	11,600
	105,398	171,536	63,158	132,688

16. Creditors: Amounts falling due within one year

	Group 31 December 2020 £	Group 31 October 2020 £	Company 31 December 2020 £	Company 31 October 2020 £
Bank loans	10,000	10,000	10,000	10,000
Trade creditors	58,152	111,691	55,953	110,040
Amounts owed to group undertakings	-	-	32,094	39,176
Other taxation and social security	27,067	19,983	24,009	11,512
Obligations under finance lease and hire purchase contracts	25,597	25,143	25,597	25,143
Other creditors	2,000	811	1,744	650
Accruals and deferred income	152,106	167,807	104,850	121,831

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Notes to the financial statements
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16. Creditors: Amounts falling due within one year (continued)

	Group 31 December 2020 £	Group 31 October 2020 £	Company 31 December 2020 £	Company 31 October 2020 £
	274,922	335,435	254,247	318,352
	Group 31 December 2020 £	Group 31 October 2020 £	Company 31 December 2020 £	Company 31 October 2020 £
Deferred income at 1 November 2020	50,020	113,497	23,880	89,496
Resources deferred during the 18 month period	238	43,738	-	17,598
Amounts released from previous periods	-	(107,215)	-	(83,214)
Deferred income at 31 December 2020	50,258	50,020	23,880	23,880

Deferred income represents subscription and performance related grant income received in advance which does not meet the criteria for recognition as income in the period.

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

	Group 31 December 2020 £	Group 31 October 2020 £	Company 31 December 2020 £	Company 31 October 2020 £
Bank loans	40,000	40,000	40,000	40,000
Net obligations under finance lease and hire purchase contracts	47,762	54,334	47,762	54,334
	87,762	94,334	87,762	94,334

Included within the above are amounts falling due as follows:

	Group 31 December 2020 £	Group 31 October 2020 £	Company 31 December 2020 £	Company 31 October 2020 £
Between one and two years				
Bank loans	10,000	10,000	10,000	10,000
Between two and five years				

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Notes to the financial statements
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17. Creditors: Amounts falling due after more than one year (continued)

	Group 31 December 2020 £	Group 31 October 2020 £	Company 31 December 2020 £	Company 31 October 2020 £
Bank loans	30,000	30,000	30,000	30,000
Over five years				

Bank loans are unsecured.

18. Financial instruments

	Group 31 December 2020 £	Group 31 October 2020 £	Company 31 December 2020 £	Company 31 October 2020 £
Financial assets				
Financial assets measured at amortised cost	334,177	328,693	252,393	253,954
	Group 31 December 2020 £	Group 31 October 2020 £	Company 31 December 2020 £	Company 31 October 2020 £
Financial liabilities				
Financial liabilities measured at amortised cost less impairment	235,359	309,766	212,026	288,118

Financial assets measured at amortised cost comprise trade debtors, other debtors and cash and cash equivalents.

Financial liabilities measured at amortised cost less impairment comprise bank loans, trade creditors, obligations under finance lease and hire purchase contracts, other creditors and accruals.

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Notes to the financial statements
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19. Statement of funds

Statement of funds - current 2 month period

	Balance at 1 November 2020 £	Income £	Expenditure £	Balance at 31 December 2020 £
Unrestricted funds				
Reserves	123,275	312,662	(248,342)	187,595

Statement of funds - prior 18 month period

	Balance at 1 May 2019 £	Income £	Expenditure £	Balance at 31 October 2020 £
Unrestricted funds				
Unrestricted funds	446,610	2,672,945	(2,996,280)	123,275
Restricted funds				
Restricted Funds	2,803	-	(2,803)	-
Total of funds	449,413	-	(2,999,083)	123,275

The restricted fund related to the Project Print fund. This money was available to support mission organisations by subsidising their printing costs.

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Notes to the financial statements
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20. Summary of funds

Summary of funds - current 2 month period

	Balance at 1 November 2020 £	Income £	Expenditure £	Balance at 31 December 2020 £
General funds	123,275	312,662	(248,342)	187,595

Summary of funds - prior 18 month period

	Balance at 1 May 2019 £	Income £	Expenditure £	Balance at 31 October 2020 £
General funds	446,610	2,672,945	(2,996,280)	123,275
Restricted funds	2,803	-	(2,803)	-
	449,413	2,672,945	(2,999,083)	123,275

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 31 December 2020 £	Total funds 31 December 2020 £
Tangible fixed assets	170,871	170,871
Current assets	379,408	379,408
Creditors due within one year	(274,922)	(274,922)
Creditors due in more than one year	(87,762)	(87,762)
Total	187,595	187,595

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21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 31 October 2020 £	Total funds 31 October 2020 £
Tangible fixed assets	181,704	181,704
Current assets	371,340	371,340
Creditors due within one year	(335,435)	(335,435)
Creditors due in more than one year	(94,334)	(94,334)
Total	123,275	123,275

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

	Group 2 months ended 31 December 2020 £	Group 18 months ended 31 October 2020 £
Net income/expenditure for the period (as per Statement of Financial Activities)	64,320	(326,138)
Adjustments for:		
Depreciation charges	10,833	100,364
Interest receivable	-	(333)
Interest payable	955	11,460
Loss/(profit) on the sale of fixed assets	-	(29,875)
Increase in stocks	(346)	(12)
Decrease in debtors	66,138	60,316
Decrease in creditors	(60,967)	(92,460)
Net cash provided by/(used in) operating activities	80,933	(276,678)

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Notes to the financial statements
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23. Analysis of cash and cash equivalents

	Group 31 December 2020 £	Group 31 October 2020 £
Cash in hand	243,357	169,497
Total cash and cash equivalents	243,357	169,497

24. Analysis of changes in net debt

	At 1 November 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	169,497	73,860	243,357
Debt due within 1 year	(10,000)	-	(10,000)
Debt due after 1 year	(40,000)	-	(40,000)
Finance leases	(79,477)	6,118	(73,359)
	40,020	79,978	119,998

25. Pension commitments

A defined contribution pension scheme is operated by the group. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension costs charged to the statement of financial activities represents contributions payable by the group to the fund and amounted to £4,300 (18 month period ended 31 October 2020: £58,242). There were outstanding contributions at the balance sheet date of £nil (31 October 2020: £nil).

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Notes to the financial statements
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26. Operating lease commitments

At 31 December 2020 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 31 December 2020 £	Group 31 October 2020 £	Company 31 December 2020 £	Company 31 October 2020 £
Amount payable:				
Within 1 year	50,000	50,000	50,000	50,000
Between 1 and 5 years	75,000	83,333	75,000	83,333
	125,000	133,333	125,000	133,333

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Group 31 December 2020 £	Group 31 October 2020 £
Operating lease rentals	8,167	80,950

27. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

28. Related party transactions

There were no related party transactions in the period (18 months ended 31 October 2020: nil).