

L. G. C. M.

**(Company limited by guarantee no. 3092197
registered charity no. 1048842)**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2010

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L. G. C. M.

(Company limited by guarantee no. 3092197, registered charity no. 1048842)

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 October 2010

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LEGAL AND ADMINISTRATION

For the year ended 31 October 2010

Directors	Michael P W Egan Savitri M Hensman David Austin Jim Bennett Marian Bennett Ronald Keating Graham Knapman Dr Sheila Williams	(Chair) (Vice-chair) (resigned 15 May 2010) (appointed 2 Oct 2010) (appointed 16 Jan 2010) (appointed 15 May 2010, deceased 28 Sep 2010)
Company reg. no.	3092197	
Charity reg. no.	1048842	
Registered office	Oxford House Derbyshire Street London E2 6HG	
Independent examiner	John Ball FCA Gotham Erskine LLP Chartered Accountants Friendly House 52 - 58 Tabernacle Stree London EC2A 4NJ	
Bankers	Royal Bank of Scotland 54 Lime Street London EC3 7BS CAF Kings Hill West Malling Kent ME19 4TA	

The Movement is a registered charity and a company limited by guarantee

In the event of the company being wound up, every member undertakes to contribute a maximum of £1 should that be necessary At 31 October 2010 there were approximately 600 members (plus approximately 700 Associate members)

The objectives of the Movement are

- the advancement of the Christian religion in particular, but not exclusively, amongst Lesbian and Gay Christians,
- the advancement of education amongst such persons in all areas relating to Christianity and sexuality

DIRECTORS' REPORT

For the year ended 31 October 2010

The members of the Board of Directors, who act as directors for the purposes of the Companies Act, and trustees for charity law purposes, submit their annual report and the financial statements for the year of LGCM, also known as the Lesbian and Gay Christian Movement. The Directors confirm that the annual report and financial statements of the Charity comply with current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (revised 2005).

STRUCTURE, GOVERNANCE AND MANAGEMENT

LGCM's governing instrument is its Memorandum and Articles in accordance with which the Board of Directors is elected annually. Day to day management is delegated to the Chief Executive, who reports to the meetings of the Board.

OBJECTIVES AND ACTIVITIES

Aims of LGCM

- 1 To encourage fellowship, friendship, and support among individual lesbian and gay Christians through prayer, study and action, wherever possible in local groups, and especially to support those lesbian and gay Christians subjected to discrimination
- 2 To help the whole Church re-examine its understanding of human sexuality, and to work for a positive acceptance of lesbian and gay relationships within the framework outlined in the Statement of Conviction below, so that all homosexuals may be able to live without fear of rejection or recrimination, and that lesbian and gay Christians may be able to contribute fully to the life and ministry of the Church
- 3 To encourage members to witness to their Christian faith and experience within the lesbian and gay community, and to witness to their convictions about human sexuality within the Church
- 4 To maintain and strengthen links with other lesbian and gay Christian groups, both in Britain and elsewhere

Statement of Conviction

It is the conviction of members of the Lesbian and Gay Christian Movement that human sexuality in all its richness is a gift of God, gladly to be accepted, enjoyed and honoured as a way of both expressing and growing in love, in accordance with the life and teaching of Jesus Christ. Therefore, it is their conviction that it is entirely compatible with the Christian faith not only to love another person of the same sex but also to express that love fully in a personal, sexual relationship.

ACHIEVEMENTS AND PERFORMANCE

2009-10 was a year for consolidation, building on and expansion of much of the work that was started in the previous year. Our intention, as stated in last year's report, was that during the year we would focus on the following as an organisation:

Continue to develop positive relationships with other organisations and participate in joint projects wherever possible

This has not only continued but flourished during this year with LGCM being represented at the LGBT Chief Executive's meetings, being a founding member of the LGBT Anglican Coalition, and instigating the Christians Together at Pride, as well as continuing participation in the Cutting Edge Consortium. The Chief Executive's meetings provide opportunities to network with other LGBT organisations throughout the UK and share ideas and resources as well as offer mutual support. The other organisations participating in these meetings are currently all secular and therefore our presence is vital to keep the faith perspective of LGBT lives on the agenda.

DIRECTORS' REPORT

For the year ended 31 October 2010

In addition, there are a number of LGBT groups with an Anglican focus and during the year we all came together to investigate if there were any ways that we could work together to better achieve our common goals. After a tentative start, the group has gone from strength to strength and we have been able to issue joint press releases and organise a very valuable conference on Sexuality and Human Flourishing which took place in Birmingham in February 2010.

Following a conversation with members from our Young Lesbian and Gay Christians group about London Pride, we arranged to get together with other LGBT faith groups to see if they would like to work with us to provide a united presence at the parade. After an incredibly positive initial meeting Christians Together at Pride was born. It resulted in over 100 people from at least 9 organisations marching together, wearing purple T-shirts that had been sponsored by Stonewall, having a joint stall in the market place and ending the day with a communion service in St Martin's church at which over 200 people attended. It is hoped that next year we will be even bigger and get other Pride parades throughout the country to do the same.

Promote and increase both the numbers of local groups and the participation of members in these groups

A lot of time and energy was put into the local groups this year with the Chief Executive managing to visit many of them. The changes to the website and the new membership form have generated new interest in the groups. The requests from new members and enquirers for opportunities to meet like-minded people locally has also increased and the reality is that we all too often don't have a group in their area. However, work has been done on increasing the number of groups and in the next year we will see the reemergence of our Yorkshire group and hopefully new groups in Bedford and Kent. Interest to help run groups in other areas has also been received and further work is underway to research their viability.

Pursue funding opportunities to create a more stable financial base within which to operate

Financial stability is much desired however it can never be at the expense of achieving our objectives, this often presents us with a dilemma as many funders are not interested in supporting the grass roots work that we do. It is therefore no surprise that we have not been able to secure any external funding in the past. However, at the beginning of 2010 we received a small grant to produce an educational resource dealing with faith-based homophobic bullying. This project is now coming to an end and we will be seeking opportunities for further funding to expand this project.

We have also been awarded a number of bursaries throughout the year which have enabled our participation in some vital conferences such as ILGA Europe (International Lesbian and Gay Association) and FRA (European Union for Fundamental Rights).

Speak out against homophobia and transphobia and actively campaign for equality and inclusion for LGBT people of faith

As with previous years this has been a large part of the work schedule. Many press releases have been issued both in support of good decisions and steps forward and also in raising concerns and fighting against the lack or potential loss of equality. We welcomed the installation of Mary Glasspool as Bishop in the Episcopal Church, the decision to not allow Catholic Adoption Agencies to discriminate and the appeal courts ruling in the Ladele v Islington case. We immediately spoke out against the Anti-Homosexuality Bill in Uganda and fought to stop faith groups from obtaining exemptions under the Equality Bill. This would not have been possible without the support of the voluntary press officers, Tony Green and Stephen Spencer, and we are deeply grateful to them.

DIRECTORS' REPORT

For the year ended 31 October 2010

We have conducted numerous seminars, attended meetings and participated in conferences across the UK and mainland Europe raising the particular issues raised by LGBT people of faith from within both the faith communities and the LGBT communities

As well as fulfilling the above objectives we have maintained our regular events such as the Carol Service and the AGM and Annual Conference. The Carol Service had its usual attendance with the inclusion of communion and a homily given by the Chief Executive. The collection was shared with St Botolph's Church for their continued support, and refreshments were provided after the service.

The AGM and Annual Conference returned to the Drill Hall following the positive feedback from the previous year. The conference opened with a communion service to which all were invited to participate regardless of denominational affiliation. A variety of workshops were offered on the theme of the effects of discrimination done in the name of a God of love. The main presentation was provided by Rizı Timane, who performed songs from her CD's, *Just the Way You Are* and *Come Out*, and shared her story of coming to terms with her sexuality within a deeply religious family in Nigeria. Caucus meetings were well attended and there was an opportunity for Bible study. All the workshops and plenary sessions were well received and we would like to thank all the speakers, presenters, facilitators, and volunteers who made it all possible.

During the year we had co-opted Graham Knapman on to the Board and at the AGM he was officially voted into position along with Sheila Williams who was proposed from the floor. Mike Egan and Savi Hensman were both re-elected. Sadly, Sheila was only able to attend one meeting as she passed away 28th September 2010. She will be greatly missed.

At the AGM we recognised the work of three of our local group convenors, Alan Wilkins (Bristol), Simon Oram (Wales), and Nigel Nash (Brighton). Awards for outstanding contributions, commitment and dedication to LGCM were also given to Mike Egan and Savi Hensman.

LGCM was well served by its staff and team of volunteers without which the organisation could not have continued and our thanks are extended to them, and all who have helped our work through another challenging year.

Risks and Public Benefit

Through the work on PQASSO and changes in legislation the directors are aware of the need to have a full set of policies and procedures in relation to its work and also to fulfill the new charitable purposes and public benefit requirements. Work has been completed on a staff handbook containing all relevant policies and the Board have investigated at length the ways in which it meets the criteria to establish charitable purposes and public benefit. Comparing the charitable purposes set out by the new Charities Act with our Aims, it is clear that LGCM's aims are consistent with at least the following statutory charitable objectives:

- the advancement of religion,
- the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity

DIRECTORS' REPORT

For the year ended 31 October 2010

Similarly, the sections of the public who can potentially benefit (now or in the future) from LGCM's activities are, at least

- Lesbian and gay Christians, in their own better understanding and celebration of their faith, and in the enhanced understanding by other Christians of religious tolerance, equality and diversity within their faith communities
- All Christians, in their enhanced understanding of religious tolerance, equality and diversity within their faith communities
- All lesbian and gay people, in their enhanced understanding of the place of people of Christian faith within the lesbian and gay communities
- All people with lesbian and gay family or friends (i.e. everyone), in their enhanced understanding of religious tolerance, equality and diversity as these affect lesbian and gay Christians

This is in keeping with the statutory public benefit principles

The Directors will continue to work on these areas to ensure that LGCM complies with all new requirements under Charity Law

FINANCIAL REVIEW

The results of the year's operation are set out in the attached financial statements. The Charity recorded a surplus of £19,076 for the year (2009 deficit £11,732). Total funds at the year-end amount to £3,626 (2009 deficit £15,450).

Reserves policy

The Directors have reviewed the Company's reserves and have set a target level equivalent to six months' expenditure so as to be able to meet any unexpected costs. This would be approximately £55,000 based on 2009-10 expenditure levels. At the year-end, the Charity had negative 'free' reserves of £6,931. The Directors continue to monitor reserves and look at ways the deficit can be reversed.

PLANS FOR FUTURE PERIODS

We believe 2010-11 will be an opportunity to build upon the relationships that have been established and to strengthen our financial position. Therefore, as an organisation, it is our intention during the next year to continue to focus on the same objectives as last year, namely

- Continue to develop positive relationships with other organisations and participate in joint projects wherever possible
- Promote and increase both the numbers of local groups and the participation of members in these groups
- Pursue funding opportunities to create a more stable financial base within which to operate
- Speak out against homophobia and transphobia and actively campaign for equality and inclusion for the LGBT people of faith

SMALL COMPANY SPECIAL PROVISIONS

This report of the Directors has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

This report was approved and authorised for issue by the Directors on 29 January 2011 and signed on their behalf by

Savitri M Hensman
Director

**Independent examiner's report to the Director of
L. G. C. M.**

I report on the financial statements for the year ended 31 October 2010 set out on pages 7 to 13

Respective responsibilities of Director and independent examiner

The Director, which is the board of directors of L G C M for the purposes of company law, and the board of trustees for the purposes of charity law, is responsible for the preparation of the financial statements. The Directors consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

Having satisfied myself that the Company is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to

- examine the accounts (under section 43 of the 1993 Act),
- follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 43(7)(b) of the Act, as amended), and
- state whether particular matters have come to my attention.

Basis of independent examiner's statement

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

Independent examiner's statement

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

- 1 which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 386 of the Companies Act 2006, and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met, or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



John Ball FCA
Gotham Erskine LLP
Chartered Accountants
Friendly House
52 - 58 Tabernacle Street
London EC2A 4NJ
Date 28 Feb 2011

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating income and expenditure account)
For the year ended 31 October 2010

	Note	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	41,497	25,000	66,497	27,962
Incoming resources from charitable activities	3	61,689	-	61,689	64,157
Bank interest receivable		19	-	19	82
TOTAL INCOMING RESOURCES		103,205	25,000	128,205	92,201
RESOURCES EXPENDED					
Staffing costs	4	39,927	-	39,927	68,004
Printing		7,121	-	7,121	6,878
Advertising and publicity		261	-	261	960
Website upgrade cost		1,995	-	1,995	-
Consultancy		21,887	11,393	33,280	3,600
Books		261	-	261	639
Conferences		2,496	-	2,496	2,069
Donations & affiliations		730	33	763	475
Administrative expenses	5	18,926	4,099	23,025	21,308
TOTAL RESOURCES EXPENDED		93,604	15,525	109,129	103,933
NET MOVEMENT IN FUNDS		9,601	9,475	19,076	(11,732)
TOTAL FUNDS AT 1 NOVEMBER 2009		(15,450)	-	(15,450)	(3,718)
TOTAL FUNDS AT 31 OCTOBER 2010		£ (5,849)	£ 9,475	£ 3,626	£ (15,450)

The annexed notes form part of these financial statements

BALANCE SHEET
As at 31 October 2010

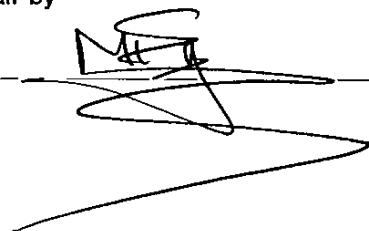
	Notes	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible assets	7		1,082		243
CURRENT ASSETS					
Debtors	8	6,427		4,858	
Cash at bank and in hand		5,426		6,554	
		<u>11,853</u>		<u>11,412</u>	
CREDITORS: amounts falling due within one year	9	<u>(9,309)</u>		<u>(27,105)</u>	
NET CURRENT ASSETS/(LIABILITIES)			2,544		(15,693)
NET ASSETS/(LIABILITIES)			<u>£ 3,626</u>		<u>£ (15,450)</u>
FUNDS					
Restricted funds	10		9,475		-
Unrestricted funds					
Designated funds	10	1,082		243	
General fund	10	<u>(6,931)</u>		<u>(15,693)</u>	
			(5,849)		(15,450)
			<u>£ 3,626</u>		<u>£ (15,450)</u>

For the year ended 31 October 2010 the Company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies

Directors' responsibilities

- (i) The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476,
- (ii) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) They were approved, and authorised for issue, by the directors on 29 January 2011 and signed on their behalf by -



MICHAEL EGAN, Director

The annexed notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2010

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, the Charities SORP (Statement of Recommended Practice "Accounting and Reporting by Charities published in March 2005") and the Financial Reporting Standard for Smaller Entities (effective April 2008)

The effect of events relating to the year ended 31 October 2010 which occurred before the date of approval of the financial statements by the Directors has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 October 2010 and the results for the year ended on that date

Fund accounting

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

Designated funds comprise 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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, and which have been raised by the Charity for particular purposes

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Subscriptions including those for life members, are accounted for on a cash basis, as they are predominately of the nature of donations

Income tax recoverable in relation to investment income or Gift Aid donations is recognised at the time the relevant income is receivable

Resources expended

All expenditure is accounted for gross and on an accruals basis, and includes non-recoverable VAT

Tangible fixed assets and depreciation

All assets costing more than £400 are capitalised

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Office equipment	-	25% reducing balance
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2010

2. VOLUNTARY INCOME

	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
Interest free loan waived	10,000	-	10,000	-
Other donations	27,856	-	27,856	26,042
Legacy	3,641	-	3,641	1,920
Grants	-	25,000	25,000	-
	<u>£ 41,497</u>	<u>£ 25,000</u>	<u>£ 66,497</u>	<u>£ 27,962</u>

3 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
Subscription income	58,513	-	58,513	55,852
Book sales	848	-	848	1,019
Conferences	1,588	-	1,588	1,918
Fees and other income	740	-	740	5,368
	<u>£ 61,689</u>	<u>£ Nil</u>	<u>£ 61,689</u>	<u>£ 64,157</u>

4 STAFF NUMBERS AND COSTS

	2010 £	2009 £
Salaries	33,644	57,191
Social security costs	3,271	5,979
Pension costs	2,692	4,575
Staff training and welfare	320	259
	<u>£ 39,927</u>	<u>£ 68,004</u>

The full time equivalent of full and part time persons employed during the year was

	Number	Number
Full time	0.5	1
Part time	0.6	0.6
	<u>1.1</u>	<u>1.6</u>

No employee received remuneration of more than £60,000

Contributions were made to a defined contribution pension scheme in respect of two staff members. The assets of the scheme are held separately from the Charity. The pension charge represents the amount payable for the year by the Charity and the amount outstanding at the year end is disclosed in note 9.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2010

5. ADMINISTRATIVE EXPENSES	2010	2009
	£	£
Rent and rates	8,389	7,757
Insurance	913	780
Postage and stationery	5,858	4,620
Telephone and internet	1,574	1,771
Repairs, renewals and computer costs	321	782
Accountancy	2,400	2,444
Depreciation & adjustment on disposal	487	81
Staff travel & expenses	1,609	1,308
Others	1,474	1,765
	£ 23,025	£ 21,308

6 DIRECTORS

During the year, no member of the Board received any remuneration (2009 £NIL) No member of the Board received reimbursement of travel expenses (2009 1 member - £123)

7. TANGIBLE FIXED ASSETS - Office equipment

Cost	£
At 1 November 2009	3,862
Additions	1,326
Disposals	(3,274)
At 31 October 2010	<u>1,914</u>
Depreciation	£
At 1 November 2009	3,619
Charge for the year	362
On disposals	(3,149)
At 31 October 2010	<u>832</u>
Net book value	
At 31 October 2010	<u>£ 1,082</u>
At 31 October 2009	<u>£ 243</u>

8 DEBTORS	2010	2009
Due within one year	£	£
Trade debtors	-	100
Sundry debtors	5,908	4,692
Prepayments	519	66
	£ 6,427	£ 4,858

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2010

9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	2010	2009
	£	£
Trade creditors	2,089	691
Pension premiums due	-	6,273
Social security and other taxes	391	1,981
Interest free loan	-	10,000
Other creditors	404	416
Accruals	6,143	7,744
Anglican Coalition fund	282	-
	£ 9,309	£ 27,105

Repayment of the interest free loan received in the previous year was waived and has subsequently been treated as a donation without restriction

10 STATEMENT OF FUNDS

	Brought Forward	Incoming Resources	Resources Expended	Transfers and investment gains/(losses)	Carried Forward
	£	£	£	£	£
DESIGNATED FUNDS					
Fixed Assets Fund	£ 243	£ Nil	£ Nil	£ 839	£ 1,082
RESTRICTED FUNDS					
Faith & Sexuality project	£ Nil	£ 25,000	£ (15,525)	£ Nil	£ 9,475
SUMMARY OF FUNDS	£	£	£	£	£
Designated Funds	243	-	-	839	1,082
General Funds	(15,693)	103,205	(93,604)	(839)	(6,931)
	(15,450)	103,205	(93,604)	-	(5,849)
Restricted Funds	-	25,000	(15,525)	-	9,475
	£ (15,450)	£ 128,205	£ (109,129)	£ Nil	£ 3,626

Fixed Assets Fund

The Office equipment of the Charity is not considered to be easily realisable and therefore, in accordance with SORP 2005, should not be matched by general funds. The balance carried forward of the fund is equal to the net book value of the fixed assets at the year-end.

Faith & Sexuality project

This project is designed to provide a teaching programme for use in schools with pupils aged 12-14. It looks at the teachings of the three Abrahamic Faiths, Christian, Jew and Muslim with regard to sexuality. It is a web based resource containing videos of young lesbian and gay people of faith talking about their experiences. It is designed to open up opportunities to discuss how sexuality and faith coincide to reduce the amount of homophobic and transphobic bullying that is justified on the grounds of faith. The teachers resource will provide sufficient information to be able to challenge such claims.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2010

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds				
	Designated	General	Restricted	Total	<i>Total</i>
	Funds	Funds	Funds	Funds	<i>Funds</i>
	2010	2010	2010	2010	<i>2009</i>
	£	£	£	£	£
Tangible fixed assets	1,082	-	-	1,082	243
Current assets	-	2,378	9,475	11,853	11,412
Creditors due within one year	-	(9,309)	-	(9,309)	(27,105)
	<u>£ 1,082</u>	<u>£ (6,931)</u>	<u>£ 9,475</u>	<u>£ 3,626</u>	<u>£ (15,450)</u>

12. GOING CONCERN

Although the Charity's general reserves were in deficit at the year-end, the Directors are closely monitoring the situation and consider that debts will continue to be paid as they fall due, with activities reduced if this proves necessary. In the event of cessation, the additional costs arising are considered to be less than £5,000.