

# REGISTRAR OF COMPANIES

## Churches Trust for Cumbria

(A company limited by guarantee)

### Annual Report and Financial Statements

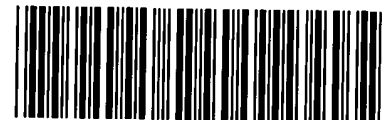
30 June 2017

Company registration number: 06553020

Charity registration number: 1128091

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## **Churches Trust for Cumbria**

### **Contents**

Reference and Administrative Details	1
Trustees' report	2
Trustees' responsibilities in relation to the financial statements	4
Independent examiner's report	5
Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8

**Churches Trust for Cumbria**  
**Reference and Administrative Details**

<b>Charity name</b>	Churches Trust for Cumbria
<b>Charity registration number</b>	1128091
<b>Company registration number</b>	06553020
<b>Principal office</b>	Church House 19-24 Friargate PENRITH CA11 7XR
<b>Registered office</b>	Church House 19-24 Friargate PENRITH CA11 7XR
<b>Trustees</b>	J M Irving C T Hensman R D Pratt A C I Naylor N R Robson R D W Rhodes (appointed 1 February 2017)
<b>Accountant</b>	Dodd & Co Limited FIFTEEN Rosehill Montgomery Way Rosehill Estate CARLISLE CA1 2RW

**Churches Trust for Cumbria**  
**Trustees' Report for the Year Ended 30 June 2017**

**Structure, Governance and Management**

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, 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 published on 16 July 2014.

**Governing document**

The organisation is a charitable company limited by guarantee, incorporated on 2 April 2008 and registered as a charity on 17 February 2009. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the winding up of the charitable company the liability of the members is not to exceed £10 each.

**Recruitment and appointment of Management Committee**

Under the Articles, the appointment of all members of the Management Committee must be approved by existing members and must consent in writing. All members are eligible for re-election.

**Induction and training of Trustees**

Introduction and training of new trustees will be undertaken by the guidance of the existing trustees.

**Risk Management**

The directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that adequate systems are in place to mitigate any exposure to the major risks.

**Objectives and Activities for Public Benefit**

The principal objective of the company is to provide or promote the use of places of worship in the provision of facilities in the interests of social welfare in recreation and leisure time occupation with the objective of improving the condition of life of residents in Cumbria without distinction of sex, sexual orientation, race or of religious, political or other opinions.

The Trustees confirm that they have referred to the general guidance on public benefit issued by the Charity Commission when reviewing and planning the charity's aims and objectives.

**Financial Review and Future Plans**

In July 2016 the trustees appointed a part-time Development Officer, thereby ending the 'care and maintenance' status which commenced on the 30 June 2013. The objective of the Development Officer role is to identify opportunities and projects for the trust to take forward, as well as working with the Diocese and other denominations in providing advice to church communities in supporting their buildings as Mission Communities are set up.

Since that time several actions have been undertaken, including:

Developing and publishing both a new website and a new twitter account.

Collaborating with the Society Protection of Ancient Buildings (SPAB) to continue to support the Maintenance Cooperatives.

Partnership working with the Churches Conservation Trust (CCT) to set up Champing in Cumbria and the care of the Cumbrian Cluster of CCT churches.

Other schemes, including Community Payback, Burial Ground Management and church tourism through the National Churches Trust (NCT) Explore Churches are also being promoted by the trust.

New trustees have and continue to be sought in order to provide a balanced and robust Board for the future.

**Churches Trust for Cumbria**  
**Trustees' Report for the Year Ended 30 June 2017**

**Reserves Policy**

The directors are establishing a policy whereby unrestricted funds held by the charity should be between three and six months of the resources expended. At this level, the directors feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding. At present, the free reserves of £15,448 fall within this target.

**Investment Policy**

Under the memorandum and articles of association, the charity has the power to invest surplus funds where the directors deem appropriate.

**Trustee's Responsibilities**

The Trustees who served the Charity during the year are as set out on page 1. Company law requires the Trustees to prepare Financial Statements for each financial period, which give a true and fair view of the state of affairs of the Charity at the end of the period and of the incoming and outgoing resources for the period then ended.

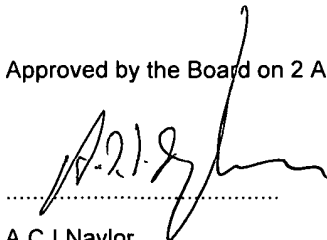
In preparing those Financial Statements, the Trustees are required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The trustees must also prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charity will continue its activities.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the Financial Statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Small company provisions**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 2 August 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A.C.I. Naylor', written over a dotted line.

A C I Naylor  
Trustee

## **Churches Trust for Cumbria**

### **Trustees' Responsibilities in relation to the Financial Statements**

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards 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 proper accounting records that 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.

**Independent Examiner's Report to the Trustees of  
Churches Trust for Cumbria**

I report on the accounts of the company for the year ended 30 June 2017, which are set out on pages 6 to 14.

**Respective responsibilities of trustees and examiner**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

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

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145 (5) (b) of the 2011 Act; and
- state whether particular matters have come to my attention.

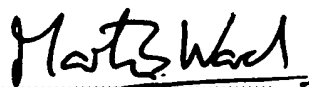
**Basis of independent examiner's report**

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity 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 trustees 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.



Martin S Ward FCA  
Dodd & Co Limited  
Chartered Accountants

2 August 2017

FIFTEEN Rosehill  
Montgomery Way  
Rosehill Estate  
CARLISLE  
CA1 2RW

**Churches Trust for Cumbria**

**Statement of Financial Activities (including Income and Expenditure Account) for the Year  
Ended 30 June 2017**

		Unrestricted Funds	Total Funds 2017	Total Funds 2016
	Note	£	£	£
<b>Income and endowments from:</b>				
Donations and legacies	2	36,000	36,000	-
Total income and endowments		<u>36,000</u>	<u>36,000</u>	<u>-</u>
<b>Expenditure on:</b>				
Charitable activities		22,406	22,406	3,491
Total expenditure		<u>22,406</u>	<u>22,406</u>	<u>3,491</u>
Net movements in funds		13,594	13,594	(3,491)
<b>Reconciliation of funds</b>				
Total funds brought forward		2,053	2,053	5,544
Total funds carried forward		<u>15,647</u>	<u>15,647</u>	<u>2,053</u>

All of the Charity's activities derive from continuing operations during the above periods.

The notes on pages 8 to 14 form an integral part of these financial statements.



**Churches Trust for Cumbria**  
**Company registration number: 06553020**  
**Balance Sheet as at 30 June 2017**

		2017		2016	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		199		-
<b>Current assets</b>					
Debtors	9	304		74	
Cash at bank and in hand		<u>16,499</u>		<u>2,919</u>	
		16,803		2,993	
<b>Creditors: Amounts falling due within one year</b>	10	<u>(1,355)</u>		<u>(940)</u>	
<b>Net current assets</b>			<u>15,448</u>		<u>2,053</u>
<b>Net assets</b>			<u>15,647</u>		<u>2,053</u>
<b>The funds of the charity:</b>					
<b>Unrestricted funds</b>					
Unrestricted income funds			<u>15,647</u>		<u>2,053</u>
<b>Total charity funds</b>			<u>15,647</u>		<u>2,053</u>

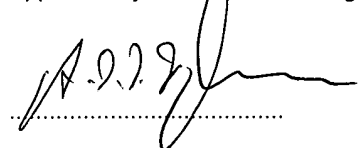
For the financial year ended 30 June 2017, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime (effective January 2015).

Approved by the Board on 2 August 2017 and signed on its behalf by:



A C I Naylor  
Trustee

The notes on pages 8 to 14 form an integral part of these financial statements.

## **Churches Trust for Cumbria**

### **Notes to the Financial Statements for the Year Ended 30 June 2017**

#### **1 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Statement of compliance**

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

##### **Basis of preparation**

The charitable company 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 notes.

##### **Going concern**

These financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

##### **Transition to FRS 102**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. No restatements are required as a result of the transition to FRS 102.

##### **Fund accounting policy**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Further details of each fund are disclosed in note 14.

##### **Income and endowments**

Grants that provide core funding or are of a general nature are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

##### **Expenditure**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

## **Churches Trust for Cumbria**

### **Notes to the Financial Statements for the Year Ended 30 June 2017**

..... continued

#### **Taxation**

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Fixed assets**

Individual fixed assets costing £100 or more are initially recorded at cost.

#### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Computer equipment	33% straight line basis
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#### **Trade Debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Liabilities**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Pensions**

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

## Churches Trust for Cumbria

### Notes to the Financial Statements for the Year Ended 30 June 2017

..... continued

#### Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

## 2 Donations and legacies

	Unrestricted Funds £	Total Funds 2017 £	Total Funds 2016 £
<b>Grants</b>			
Grants	36,000	36,000	-

**Churches Trust for Cumbria**  
**Notes to the Financial Statements for the Year Ended 30 June 2017**

..... continued

**3 Expenditure**

	Charitable activities	Total 2017	Total 2016
	£	£	£
<b>Direct costs</b>			
Employment costs	17,184	17,184	-
Rent	-	-	56
Insurance	666	666	649
Trade subscriptions	40	40	312
Sundry expenses	51	51	-
Travel and subsistence	1,381	1,381	-
Advertising	1,351	1,351	-
Accountancy fees	596	596	904
Independent examiner's fee	300	300	-
Legal and professional fees	737	737	1,570
Depreciation of office equipment	100	100	-
	<u>22,406</u>	<u>22,406</u>	<u>3,491</u>

Of the expenditure in 2016, £3,491 related to unrestricted funds and £nil related to restricted funds.

**4 Trustees' remuneration and expenses**

No trustees received any remuneration during the year.

**5 Net income/(expenditure)**

Net income/(expenditure) is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	<u>100</u>	<u>-</u>

## Churches Trust for Cumbria

### Notes to the Financial Statements for the Year Ended 30 June 2017

..... continued

#### 6 Employees' remuneration

The monthly average number of persons (including senior management) employed by the charity during the year was as follows:

	2017 No.	2016 No.
Charitable activities	1	-

The aggregate payroll costs of these persons were as follows:

	2017 £	2016 £
Wages and salaries	16,500	-
Other pension costs	684	-
	17,184	-

No employee received emoluments of more than £60,000 during the year (2016 - No. 0).

No employee received emoluments of more than £60,000 during the year.

The key management personnel comprise the Trustees. The total employee benefits of the key management personnel of the Charity were £nil (2016 - £nil).

#### 7 Taxation

The company is a registered charity and is, therefore, exempt from taxation on income and gains.

**Churches Trust for Cumbria**  
**Notes to the Financial Statements for the Year Ended 30 June 2017**

..... continued

**8 Tangible fixed assets**

	Computer equipment £
<b>Cost</b>	
As at 1 July 2016	1,425
Additions	299
Disposals	(1,425)
As at 30 June 2017	<u>299</u>
<b>Depreciation</b>	
As at 1 July 2016	1,425
Eliminated on disposals	(1,425)
Charge for the year	100
As at 30 June 2017	<u>100</u>
<b>Net book value</b>	
As at 30 June 2017	<u>199</u>
As at 30 June 2016	<u>-</u>

**9 Debtors**

	2017 £	2016 £
Other debtors	227	-
Prepayments and accrued income	77	74
	<u>304</u>	<u>74</u>

**10 Creditors: Amounts falling due within one year**

	2017 £	2016 £
Other creditors	455	-
Accruals and deferred income	900	940
	<u>1,355</u>	<u>940</u>

**11 Members' liability**

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

**Churches Trust for Cumbria**  
**Notes to the Financial Statements for the Year Ended 30 June 2017**

..... continued

**12 Pension scheme**

**Defined contribution pension scheme**

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £684 (2016 - £nil).

Contributions totalling £455 (2016 - £nil) were payable to the scheme at the end of the period and are included in creditors.

**13 Related parties**

**Controlling entity**

The charity is controlled by the trustees who are all directors of the company.

**14 Analysis of funds**

	At 1 July 2016	Incoming resources	Resources expended	At 30 June 2017
	£	£	£	£
<b>General Funds</b>				
Unrestricted income fund	2,053	36,000	(22,406)	15,647

**15 Net assets by fund**

	Unrestricted Funds	Total Funds 2017	Total Funds 2016
	£	£	£
Tangible assets	199	199	-
Current assets	16,803	16,803	2,993
Creditors: Amounts falling due within one year	(1,355)	(1,355)	(940)
Net assets	<u>15,647</u>	<u>15,647</u>	<u>2,053</u>