

REGISTRAR OF COMPANIES

Churches Trust for Cumbria

(A company limited by guarantee)

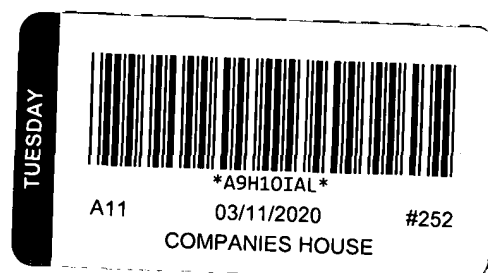
Annual Report and Financial Statements

30 June 2020

Company registration number: 06553020

Charity registration number: 1128091

dodd&co



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

Charity name Churches Trust for Cumbria

Charity registration number 1128091

Company registration number 06553020

Principal office Church House
19-24 Friargate
PENRITH
CA11 7XR

Registered office Church House
19-24 Friargate
PENRITH
CA11 7XR

Trustees J M Irving
C T Hensman
R D Pratt
A C I Naylor
N R Robson
R D W Rhodes
J M Robinson

Accountant Dodd & Co Limited
FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

Churches Trust for Cumbria
Trustees' Report for the Year Ended 30 June 2020

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.

Structure, Governance and Management

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

The Trust and the Development Officer continue to support churches and their communities to encourage the sustainable use of church buildings, not only as places of worship but as buildings of architectural, cultural and historical significance. This is being achieved by signposting local and national resources, funding programmes and schemes as well as offering building conservation knowledge and practical advice offered on site visits and via the appropriate denominational bodies.

Partnership working with the Churches Conservation Trust (CCT) remains with the continuation of champing at Longsleddale and through an annual contract to conduct thrice yearly site inspections of the three Cumbrian CCT churches (St Ninian's – Brougham, St James - Ireby and St Gregory's - Vale of Lune).

Relations with the National Churches Trust (NCT) continue at various levels including the Churches Trust Forum (meeting of regional trusts), promotion of NCT grant funding streams and ExploreChurches campaigns to increase visitor numbers and experiences.

New partnerships have been forged between CTfC and Cumbria Tourism. The objective is to raise the profile of Cumbria's churches as places of heritage interest and worship, both to Cumbrians and visitors to the county.

In November 2018, the CTfC were awarded a Heritage Lottery Fund Grant totalling £75,400 towards 'Caring for Cumbria's Churches'. The 18-month project focuses on improving Sustainability and Resilience of Cumbria's church buildings. The approved purposes of the project include:

1. Produce self-inspection survey templates to facilitate preventative maintenance and repairs for churches across Cumbria

Churches Trust for Cumbria
Trustees' Report for the Year Ended 30 June 2020

2. Produce and distribute a series of training videos covering topics such as the fabric of historic buildings, understanding Quinquennials, management and maintenance of buildings, legal issues, interpretation, tourism, accessibility and wider use and funding
3. Embed the use of a 'Sustainability Rosette' into common practice amongst Cumbrian churches to help them better manage heritage assets.

The approved purposes have largely been met, and within budget. An interim progress report was submitted to the NLHF in November 19. A conference was due to take place on 24th April but had to be postponed due to COVID-19. The NLHF have confirmed an extension to the funding expiry date (originally 31st May 2020) in order to fulfil the grant obligations. The intention is to re-schedule the event to March/April 2021, produce a project report, and complete the project by the end of May 2021.

Impact of COVID-19

Restrictions and the closure of church buildings during the COVID-19 lockdown period meant many of the principal objectives of the trust and the activities of the Development officer could not be fulfilled. Between 1st April 2020 – 30th June 2020 the Development Officer was placed on the Government's Coronavirus Job Retention Scheme (furlough).

With the re-opening of church buildings for worship from 4th July 2020, the Development officer will be withdrawn from the furlough scheme on the 1st July 2020. This will enable the collation and submission of annual accounts, produce a trustee's report, and fulfil 2019/2020 site visits as per the CCT contract. In addition to this, a piece of work is being explored relating to the ecumenical building strategy and the CTfC revised buildings questionnaire.

The financial impact to the trust in the form of expected future income and endowments has yet to be ascertained. Following the completion of the Annual Report and Financial Statements for the year ending 30th June 2020, a financial review and risk assessment, with particular regard to the operations and finances of the charity, will be conducted to mitigate exposure to any potential future risks.

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 25,183 fall within this target, and there are restricted reserves of £23,365.

Investment Policy

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

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 14 September 2020 and signed on its behalf by:


A O 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 Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2020, which are set out on pages 6 to 15.

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 Part 16 of the Companies Act 2006 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.

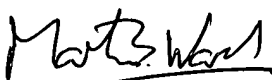
Basis of independent examiner's report

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

14 September 2020

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 2020**

		Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	Note	£	£	£	£
Income and endowments from:					
Donations and legacies	2	26,370	-	26,370	100,920
Investment income	3	-	19	19	14
Total income and endowments		<u>26,370</u>	<u>19</u>	<u>26,389</u>	<u>100,934</u>
Expenditure on:					
Charitable activities		21,482	36,040	57,522	39,267
Total expenditure		<u>21,482</u>	<u>36,040</u>	<u>57,522</u>	<u>39,267</u>
Net movements in funds		4,888	(36,021)	(31,133)	61,667
Reconciliation of funds					
Total funds brought forward		20,295	59,386	79,681	18,014
Total funds carried forward		<u>25,183</u>	<u>23,365</u>	<u>48,548</u>	<u>79,681</u>

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

The notes on pages 8 to 15 form an integral part of these financial statements.

Churches Trust for Cumbria
Company registration number: 06553020
Balance Sheet as at 30 June 2020

		2020		2019	
	Note	£	£	£	£
Current assets					
Debtors	10	7,622		37,781	
Cash at bank and in hand		<u>42,132</u>		<u>43,197</u>	
			49,754		80,978
Creditors: Amounts falling due within one year	11		<u>(1,206)</u>		<u>(1,297)</u>
Net current assets			<u>48,548</u>		<u>79,681</u>
Net assets			<u>48,548</u>		<u>79,681</u>
The funds of the charity:					
Restricted funds			23,365		59,386
Unrestricted funds					
Unrestricted income funds			<u>25,183</u>		<u>20,295</u>
Total charity funds			<u>48,548</u>		<u>79,681</u>

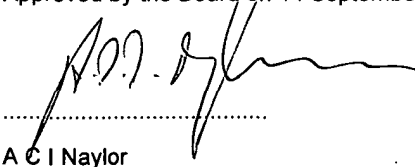
For the financial year ended 30 June 2020, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

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.

Approved by the Board on 14 September 2020 and signed on its behalf by:



 A C I Naylor
 Trustee

The notes on pages 8 to 15 form an integral part of these financial statements.

Churches Trust for Cumbria
Notes to the Financial Statements for the Year Ended 30 June 2020

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

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.

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.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Further details of each fund are disclosed in note 15.

Income and endowments

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measured with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

Investment income is recognised on a receivable basis.

Churches Trust for Cumbria

Notes to the Financial Statements for the Year Ended 30 June 2020

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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.

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.

Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Churches Trust for Cumbria
Notes to the Financial Statements for the Year Ended 30 June 2020

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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.

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 £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Grants				
Grants	26,370	-	26,370	100,920

Of the donations and legacies income in 2019, £25,520 related to unrestricted funds and £75,400 related to restricted funds.

3 Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Bank interest receivable	-	19	19	14

All of the investment income in 2019 related to restricted funds.

Churches Trust for Cumbria
Notes to the Financial Statements for the Year Ended 30 June 2020

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4 Expenditure

	Charitable activities	Total 2020	Total 2019
	£	£	£
Direct costs			
Employment costs	18,380	18,380	19,273
Insurance	718	718	707
Trade subscriptions	-	-	30
Sundry expenses	203	203	647
Project manager	13,650	13,650	7,200
Digital outputs	19,250	19,250	5,400
Cost of producing learning materials	-	-	20
Training for staff	2,757	2,757	2,970
Publicity and promotion	-	-	126
Travel for staff	413	413	312
Travel and subsistence	767	767	1,176
Accountancy fees	635	635	680
Independent examiner's fee	310	310	340
Legal and professional fees	310	310	283
Bank charges	129	129	3
Depreciation of office equipment	-	-	100
	<u>57,522</u>	<u>57,522</u>	<u>39,267</u>

Of the expenditure in 2019 £23,239 related to unrestricted funds and £16,028 related to restricted funds.

5 Governance costs

	2020	2019
	£	£
Accountancy fees	635	680
Independent examiner's fee	310	340
	<u>945</u>	<u>1,020</u>

6 Trustees' remuneration and expenses

No trustees received any remuneration during the year.

Churches Trust for Cumbria
Notes to the Financial Statements for the Year Ended 30 June 2020

..... continued

7 Net (expenditure)/income

Net (expenditure)/income is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	-	100

8 Employees' remuneration

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

	2020 No.	2019 No.
Charitable activities	1	1

The aggregate payroll costs of these persons were as follows:

	2020 £	2019 £
Wages and salaries	17,528	18,344
Other pension costs	852	929
	<u>18,380</u>	<u>19,273</u>

No employee received emoluments of more than £60,000 during the year (2019 - No. 0).

Churches Trust for Cumbria
Notes to the Financial Statements for the Year Ended 30 June 2020

..... continued

9 Tangible fixed assets

	Computer equipment £
Cost	
As at 1 July 2019 and 30 June 2020	<u>299</u>
Depreciation	
As at 1 July 2019 and 30 June 2020	<u>299</u>
Net book value	
As at 30 June 2020	<u>-</u>
As at 30 June 2019	<u>-</u>

10 Debtors

	2020 £	2019 £
Prepayments and accrued income	<u>7,622</u>	<u>37,781</u>

11 Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	78	80
Taxation and social security	87	197
Other creditors	96	-
Accruals and deferred income	<u>945</u>	<u>1,020</u>
	<u>1,206</u>	<u>1,297</u>

12 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 2020

..... continued

13 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 £852 (2019 - £929).

Contributions totalling £96 (2019 - £nil) were payable to the scheme at the end of the period and are included in creditors.

14 Related parties

Controlling entity

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

15 Analysis of funds

	At 1 July 2019	Incoming resources	Resources expended	At 30 June 2020
	£	£	£	£
General Funds				
Unrestricted income fund	20,295	26,370	(21,482)	25,183
Restricted Funds				
Heritage Lottery Fund	59,386	19	(36,040)	23,365
	<u>79,681</u>	<u>26,389</u>	<u>(57,522)</u>	<u>48,548</u>

Heritage Lottery Fund - Caring for Cumbria's Churches: Improving sustainability and resilience project.

Churches Trust for Cumbria
Notes to the Financial Statements for the Year Ended 30 June 2020

..... continued.

Prior period

	At 1 July 2018	Incoming resources	Resources expanded	At 30 June 2019
	£	£	£	£
General Funds		-		
Unrestricted income fund	18,014	25,520	(23,239)	20,295
Restricted Funds				
Heritage Lottery Fund	-	75,414	(16,028)	59,386
	<u>18,014</u>	<u>100,934</u>	<u>(39,267)</u>	<u>79,681</u>

16 Net assets by fund

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Tangible assets	-	-	-	-
Current assets	26,389	23,365	49,754	80,978
Creditors: Amounts falling due within one year	(1,206)	-	(1,206)	(1,297)
Net assets	<u>25,183</u>	<u>23,365</u>	<u>48,548</u>	<u>79,681</u>

Prior period

	Unrestricted Funds	Restricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£	£
Tangible assets	-	-	-	100
Current assets	21,592	59,386	80,978	19,201
Creditors: Amounts falling due within one year	(1,297)	-	(1,297)	(1,287)
Net assets	<u>20,295</u>	<u>59,386</u>	<u>79,681</u>	<u>18,014</u>