

CHAPTER TWO

England & Wales · Charity number 1053047

Details

Status Registered

Legal form Other

Registered 1996-02-17

Register [View on the Charity Commission register](#)

Contact

Address Fountain House
3 Conduit Mews
Woolwich
London
SE18 7AP

Phone 02083165389

Email info@chaptertwobooks.org.uk

Website www.chaptertwobooks.org.uk

Activities

Objects: THE ADVANCEMENT OF THE CHRISTIAN RELIGION

Activities: Chapter Two promotes the Christian faith from a non-denominational standpoint. It publishes and distributes Christian literature in numerous languages and distributes Holy Bibles & Testaments in about 150 languages. Chapter Two has supplied HMP Chaplains for over five years with free non-English Bibles for prisoners in their care.

Classification

- **How:** Provides Human Resources, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Religious Activities
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Gibraltar
- India
- Northern Ireland
- Scotland
- Spain
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£291,593	£340,121	-	-
2024-07-31	£296,895	£331,415	-	-
2023-07-31	£326,700	£342,885	-	-
2022-07-31	£205,579	£236,133	-	-
2021-07-31	£243,820	£208,581	-	-
2020-07-31	£208,616	£192,275	-	-

Trustees

Name	Role	Appointed
SIMON HAROLD ATTWOOD	Chair	1996-04-09
Alastair Frank Warnes		2019-08-01
HUGH ALAN CLARK		2005-02-18
MARYLON ELIZABETH CROSS		1977-08-10
Mark David Grasso		2009-04-16

CHAPTER TWO

England & Wales - Charity number 1053047

Accounts

REGISTERED CHARITY NUMBER: 1053047

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025
FOR
CHAPTER TWO

Berringers LLP
Chartered Accountants
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

CHAPTER TWO

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CHAPTER TWO

REFERENCE AND ADMINISTRATIVE DETAILS for the year ended 31 July 2025

TRUSTEES

S Attwood
Mrs M E Cross
H A Clark
M D Grasso
A F Warnes

PRINCIPAL ADDRESS

Fountain House
Conduit Mews
London
SE18 7AP

REGISTERED CHARITY NUMBER 1053047

INDEPENDENT EXAMINER

Berringers LLP
Chartered Accountants
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

CHAPTER TWO

REPORT OF THE TRUSTEES for the year ended 31 July 2025

The trustees present their report with the financial statements of the charity for the year ended 31 July 2025. The trustees have adopted the provisions of 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 present trustees, who all served throughout the year, are all listed on page 1.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal objective is the advancement of the Christian faith through the provision of literature, and by other means including preaching, conferences, and various forms of outreach.

The charity owns three freehold properties which are used to meet its objectives. The shop, situated at 199 Plumstead Common, is used to distribute literature to the general public. The main warehouse and distribution centre is situated in Fountain House, 3 Conduit Mews, and this property is also used as an administration centre. The property situated at 2 Plum Lane is used to give short term accommodation to volunteer workers from the UK and overseas.

The shop and warehouse continue to distribute literature, both by sale and by gift. The provision of free literature to support Christian outreach and follow-up is funded by sales to the public and by donations received into the General Fund. To enable the provision of quality Christian literature, the Trust seeks continually to update its book catalogue and to raise its profile locally as well through more general advertising.

Public Benefit

The Trustees have had regard to Charity Commission guidance on public benefit and consider that the objectives, aims and achievements of the charity described in the report enable it to meet its duty to the Charity Commission as per Section 17 of the Charities Act 2011 and to the benefit of the public.

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

The general activities of the Trust continue to be self-financing, with donations and profits on sales of literature, financing literature distribution and administration.

During the year, the value of literature distributed worldwide has decreased by 4%; the full range of activities, including the publication of new books and leaflets and a quality calendar has continued. Facilities at Fountain House for storage and despatch have been fully utilised. Literature and correspondence courses have continued to be sent to customers and other contacts in the UK and overseas, and in particular to UK prisons and detention centres. The Trust was also able to source useful collections of second-hand books and use these to replenish its catalogue.

A Christian conference - the annual UK Spring Bible Study Conference (formerly called the Plumstead Conference) - was held at Yarnfield Park Training and Conference Centre in April 2025. It was attended by over 300 persons and, as in earlier years, presented Christian truth, resulting in significant sales of literature on site. Expenditure exceeded income for the conference by £4,713. The trustees believe that it has contributed significantly to the overall objectives of the Trust of advancing the Christian faith.

The Trust has also continued to support the Bibleway Camp and various other conferences in the UK. The trustees believe that persons attending these events have benefitted in a way consistent with the objectives of the Trust. The Trust's bookshop at 199 Plumstead Common Road has continued to attract additional customers and maintain a high customer satisfaction rating.

It has also made free donations of literature in other countries, and contributed to the cost of publishing a Spanish calendar by a sister organisation in Chile and the distribution of Hindi Bibles in India.

CHAPTER TWO

REPORT OF THE TRUSTEES for the year ended 31 July 2025

FINANCIAL REVIEW

Reserves policy

The level of reserves is continually under review to ensure that adequate reserves are always available. The total reserves at 31 July 2025 stood at £1,548,886 (2024 - £1,597,414). This is to ensure that the Charity can meet its objectives and the Trustees are satisfied that the Charity has sufficient funds to fulfil its obligations.

The trustees have determined financial policies as set out below:

- the distribution of free literature, as well as other resources within the charity, continues to follow the principle laid down in 1 Peter 4:10: 'As every man hath received the gift, even so minister the same one to another, as good stewards of the manifold grace of God.'

- cash resources not required for current needs are placed on bank deposit accounts prior to their being used to fund the Charity's activities.

- the charity is funded by both restricted and unrestricted funds.

- unrestricted funds are allocated to the general operations and activities. Donations are allocated to unrestricted funds unless specified otherwise by the donor. Assets representing unrestricted funds are managed by the General Manager and his staff.

- unrestricted funds (excluding designated funds) are to be maintained at a level sufficient to fund the stocks held for sale or distribution and to meet the costs of provision of further literature and governance costs for at least six months.

After meeting all the running costs of the charity, the final results from unrestricted activities, was a deficit of £48,528 (2024 - £34,520).

The general fund at 31 July 2025 stood at £1,538,507 as compared with the balance at 31 July 2024 of £1,582,951

FUTURE PLANS

The Trustees are reliant on God's provision and help in fulfilling the purposes of the Trust and are thankful to record His goodness in sustaining them and the charity in his service. Continuing this dependence, the Trustees intend to continue the same activities for the forthcoming year to further the main objectives of the Trust.

The Trust has plans for future publishing projects and the promotion of the Christian faith; there are adequate reserves available to meet its on-going needs. It also continue to maintain and improve its buildings and other facilities and to manage their utilisation more effectively. This includes the rationalisation and reduction of its stocks of literature in its warehouse and a five-yearly revaluation of its freehold properties during 2025/26.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity. Chapter Two is a trust governed by a constitution set out in November 1976 and revised in January 1995.

In the event of the charity being wound up, no liability in respect of the charity will vest in the members of the charity.

Recruitment and appointment of new trustees

New trustees are appointed as and when required by the board of trustees.

Organisational structure

The trustees have delegated day to day management of the charity to the General Manager Mr S Attwood. The General Manager organises the teams of volunteers involved in the distribution of literature from the shop and the warehouse. No salaries are drawn by the staff, all of whom are unpaid volunteers.

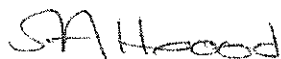
CHAPTER TWO
REPORT OF THE TRUSTEES
for the year ended 31 July 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

Mrs M Cross is also a trustee of the charity 'Christian Outreach to the Handicapped'. In addition Chapter Two continues to provide support services and consequently considers itself to be a connected party. Mr S Attwood is a trustee of UK Foundation for Christian Service, a charity which makes donations to Chapter Two from time to time.

Approved by order of the board of trustees on 18/5/2026..... and signed on its behalf by:



.....
S Attwood - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CHAPTER TWO

Independent examiner's report to the trustees of Chapter Two

I report to the charity trustees on my examination of the accounts of Chapter Two (the Trust) for the year ended 31 July 2025.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under Section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under Section 145(5)(b) of the Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Trust as required by Section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



Paul Allan BSocSC FCA
The Institute of Chartered Accountants in England and Wales

Berringers LLP
Chartered Accountants
Lygon House
50 London Road
Bromley
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BR1 3RA

Date: 18-05-26

CHAPTER TWO

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 July 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	57,489	67,520	125,009	124,240
Charitable activities	3	164,254	-	164,254	170,216
Investment income	4	2,330	-	2,330	2,439
Total		224,073	67,520	291,593	296,895
EXPENDITURE ON					
Charitable activities	5				
Costs of charitable activities		156,754	-	156,754	157,921
Gifts & donations		4,800	7,929	12,729	9,034
Support costs		91,231	-	91,231	89,394
Conference		-	67,127	67,127	61,863
Donated books		-	12,280	12,280	13,203
Total		252,785	87,336	340,121	331,415
NET INCOME/(EXPENDITURE)					
Transfers between funds	14	(28,712)	(19,816)	(48,528)	(34,520)
		(15,732)	15,732	-	-
Net movement in funds		(44,444)	(4,084)	(48,528)	(34,520)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,582,951	14,463	1,597,414	1,631,934
TOTAL FUNDS CARRIED FORWARD		1,538,507	10,379	1,548,886	1,597,414

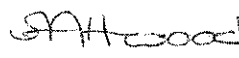
The notes form part of these financial statements

CHAPTER TWO

BALANCE SHEET 31 July 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
FIXED ASSETS					
Tangible assets	10	1,021,228	-	1,021,228	1,046,403
CURRENT ASSETS					
Stocks	11	297,392	-	297,392	305,586
Debtors	12	14,694	-	14,694	13,966
Cash at bank and in hand		216,659	10,379	227,038	245,612
		<u>528,745</u>	<u>10,379</u>	<u>539,124</u>	<u>565,164</u>
CREDITORS					
Amounts falling due within one year	13	(11,466)	-	(11,466)	(14,153)
NET CURRENT ASSETS		<u>517,279</u>	<u>10,379</u>	<u>527,658</u>	<u>551,011</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,538,507</u>	<u>10,379</u>	<u>1,548,886</u>	<u>1,597,414</u>
NET ASSETS		<u>1,538,507</u>	<u>10,379</u>	<u>1,548,886</u>	<u>1,597,414</u>
FUNDS	14				
Unrestricted funds				1,538,507	1,582,951
Restricted funds				10,379	14,463
TOTAL FUNDS				<u>1,548,886</u>	<u>1,597,414</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 18/5/2026 and were signed on its behalf by:


S Attwood - Trustee

The notes form part of these financial statements

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2025

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations, legacies and gifts are recognised when received or when the charity becomes legally entitled to them, having been notified in writing of both the amount and settlement date. Donations are allocated specifically at the request of the donor, or to the general fund. For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% straight line
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets were capitalised at cost including any incidental expenses of acquisition or in cases where they have been donated the value at the time the donated asset is received. The freehold land and buildings have been subsequently recorded at valuation as at 8 July 2020. The Trustees believe that there has been no material market movement since then.

Stocks

Stocks are valued at the lower of cost or net realisable value after making due allowance for any obsolete or slow moving items. A provision based on the current level of stocks given away during the current year is made to reduce the carrying value of stocks in respect of stocks to be given away during the forthcoming year.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2025

1. ACCOUNTING POLICIES - continued

Fund accounting

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The three restricted funds include;

- 1) General gifts and donations that are used as specified by the donor.
- 2) Gifts of Bibles for Prisons
- 3) The conference, held in Yarnfield Park Training and Conference Centre.

The conference surplus/deficit is netted off to the general fund, and the balance of the gifts and donations are carried forward. Gifts for Bibles for Prisons, if in deficit, will be supported by the general fund.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. DONATIONS AND LEGACIES

	2025	2024
	£	£
Gifts	125,009	124,240
	<u>125,009</u>	<u>124,240</u>

3. CHARITABLE ACTIVITIES

	2025	2024
	£	£
Sale of literature & related products	164,254	170,216
	<u>164,254</u>	<u>170,216</u>

The sale of Christian literature is considered by the Trustees to be trade pursuant to the charity's objects.

4. INVESTMENT INCOME

	2025	2024
	£	£
Deposit account interest	2,330	2,439
	<u>2,330</u>	<u>2,439</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2025

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Costs of charitable activities	156,754	-	156,754
Gifts & donations	12,729	-	12,729
Support costs	-	91,231	91,231
Conference	67,127	-	67,127
Donated books	12,280	-	12,280
	<u>248,890</u>	<u>91,231</u>	<u>340,121</u>

6. SUPPORT COSTS

	Finance £	Other £	Governance costs £	Totals £
Support costs	<u>5,658</u>	<u>77,723</u>	<u>7,850</u>	<u>91,231</u>

Support costs, included in the above, are as follows:

Other

	2025 Support costs £	2024 Total activities £
Rates and water	6,350	7,032
Insurance	3,250	2,886
Light and heat	7,470	6,668
Telephone	4,520	3,281
Postage and stationery	4,361	3,869
Advertising	5,270	4,390
Travelling	779	956
Motor expenses	3,581	4,855
Website & computer	4,972	4,352
Repairs & renewals	1,616	1,912
Cleaning & waste disposal	3,641	4,073
Sundries	4,985	5,893
Exchange rate movement	3,369	(190)
Depreciation of tangible fixed assets	24,009	24,868
Loss on sale of tangible fixed assets	(1,217)	-
Leasing	767	940
	<u>77,723</u>	<u>75,785</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2025

6. SUPPORT COSTS - continued
Governance costs

	2025 Support costs £	2024 Total activities £
Accountancy	3,125	4,000
Independent examination	4,725	4,725
	<u>7,850</u>	<u>8,725</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

Expenses during the year paid on behalf of a trustee amounted in total to £232 (2024 - £241) for travel costs on behalf of Chapter Two.

Trustees' expenses

Included within restricted funds are those donations of £750 (2024 - £2,977) that were received by Chapter Two to be distributed to specific Trustees as per the donors instructions.

In the year accommodation was provided for a few days a week in one of the properties owned by the charity to one trustee to enable him to more effectively fulfil his duties as a trustee in furthering the sale and distribution of Christian literature. The trustee lives at such a distance from the charity that daily commuting would be both costly to the charity and impractical.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	53,551	70,689	124,240
Charitable activities	170,216	-	170,216
Investment income	2,439	-	2,439
Total	<u>226,206</u>	<u>70,689</u>	<u>296,895</u>
EXPENDITURE ON			
Charitable activities			
Costs of charitable activities	157,921	-	157,921
Gifts & donations	1,000	8,034	9,034
Support costs	89,394	-	89,394
Conference	-	61,863	61,863
Donated books	-	13,203	13,203
Total	<u>248,315</u>	<u>83,100</u>	<u>331,415</u>
NET INCOME/(EXPENDITURE)	(22,109)	(12,411)	(34,520)
Transfers between funds	<u>(17,498)</u>	<u>17,498</u>	<u>-</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2025

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Net movement in funds	(39,607)	5,087	(34,520)
RECONCILIATION OF FUNDS			
Total funds brought forward	1,622,558	9,376	1,631,934
TOTAL FUNDS CARRIED FORWARD	<u>1,582,951</u>	<u>14,463</u>	<u>1,597,414</u>

9. INTANGIBLE FIXED ASSETS

	Website £
COST	
At 1 August 2024 and 31 July 2025	<u>4,425</u>
AMORTISATION	
At 1 August 2024 and 31 July 2025	<u>4,425</u>
NET BOOK VALUE	
At 31 July 2025	<u>-</u>
At 31 July 2024	<u>-</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 August 2024	1,130,000	50,122	26,222	3,154	1,209,498
Disposals	-	-	(15,628)	-	(15,628)
At 31 July 2025	<u>1,130,000</u>	<u>50,122</u>	<u>10,594</u>	<u>3,154</u>	<u>1,193,870</u>
DEPRECIATION					
At 1 August 2024	90,400	48,946	21,704	2,045	163,095
Charge for year	22,600	294	838	277	24,009
Eliminated on disposal	-	-	(14,462)	-	(14,462)
At 31 July 2025	<u>113,000</u>	<u>49,240</u>	<u>8,080</u>	<u>2,322</u>	<u>172,642</u>
NET BOOK VALUE					
At 31 July 2025	<u>1,017,000</u>	<u>882</u>	<u>2,514</u>	<u>832</u>	<u>1,021,228</u>
At 31 July 2024	<u>1,039,600</u>	<u>1,176</u>	<u>4,518</u>	<u>1,109</u>	<u>1,046,403</u>

The properties were revalued by P L W Morgan FRICS MCIArb of Morgans Chartered Surveyors, 28 Sundridge Avenue, Bromley BR1 2PX on 8 July 2020. Currently the valuation of the property is represented by:

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NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2025

10. TANGIBLE FIXED ASSETS - continued

Valuation surplus	£
Cost	841,463
	<u>288,537</u>
Total	<u>1,130,000</u>

The Trustees believe that there has been no material market movement since then.

11. STOCKS

	2025	2024
	£	£
Stocks	<u>297,392</u>	<u>305,586</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade debtors	7,775	7,262
VAT	1,492	950
Prepayments	5,427	5,754
	<u>14,694</u>	<u>13,966</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade creditors	5,616	6,102
Other creditors	5,850	8,051
	<u>11,466</u>	<u>14,153</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2025

14. MOVEMENT IN FUNDS

	At 1.8.24 £	Net movement in funds £	Transfers between funds £	At 31.7.25 £
Unrestricted funds				
General fund	808,805	(28,712)	1,097	781,190
Revaluation reserve	774,146	-	(16,829)	757,317
	<u>1,582,951</u>	<u>(28,712)</u>	<u>(15,732)</u>	<u>1,538,507</u>
Restricted funds				
Gifts and Donations	14,463	(4,084)	-	10,379
Conference	-	(4,713)	4,713	-
Bibles and Prison	-	(11,019)	11,019	-
	<u>14,463</u>	<u>(19,816)</u>	<u>15,732</u>	<u>10,379</u>
TOTAL FUNDS	<u>1,597,414</u>	<u>(48,528)</u>	<u>-</u>	<u>1,548,886</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	224,073	(252,785)	(28,712)
Restricted funds			
Gifts and Donations	3,845	(7,929)	(4,084)
Conference	62,414	(67,127)	(4,713)
Bibles and Prison	1,261	(12,280)	(11,019)
	<u>67,520</u>	<u>(87,336)</u>	<u>(19,816)</u>
TOTAL FUNDS	<u>291,593</u>	<u>(340,121)</u>	<u>(48,528)</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2025

14. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.8.23 £	Net movement in funds £	Transfers between funds £	At 31.7.24 £
Unrestricted funds				
General fund	831,583	(22,109)	(669)	808,805
Revaluation reserve	790,975	-	(16,829)	774,146
	<u>1,622,558</u>	<u>(22,109)</u>	<u>(17,498)</u>	<u>1,582,951</u>
Restricted funds				
Gifts and Donations	9,376	5,087	-	14,463
Conference	-	(5,482)	5,482	-
Bibles and Prison	-	(12,016)	12,016	-
	<u>9,376</u>	<u>(12,411)</u>	<u>17,498</u>	<u>14,463</u>
TOTAL FUNDS	<u>1,631,934</u>	<u>(34,520)</u>	<u>-</u>	<u>1,597,414</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	226,206	(248,315)	(22,109)
Restricted funds			
Gifts and Donations	13,121	(8,034)	5,087
Conference	56,381	(61,863)	(5,482)
Bibles and Prison	1,187	(13,203)	(12,016)
	<u>70,689</u>	<u>(83,100)</u>	<u>(12,411)</u>
TOTAL FUNDS	<u>296,895</u>	<u>(331,415)</u>	<u>(34,520)</u>

Both the Gifts and Donations fund and the Conference fund are restricted, but are supported, where necessary, by the unrestricted fund. Any shortfall or surplus in the Conference fund for the year is netted off to zero at the end of the year via a transfer from/to the unrestricted fund.

The expenditure relating to Bibles donated exceeded the donations received, and therefore a contribution was required from the general fund of £11,019 (2024: £12,016). The expenditure relating to the conference exceeded the donations by £4,019 (2024:£5,482), therefore this has been transferred to the unrestricted fund.

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2025

15. RELATED PARTY DISCLOSURES

UK Foundation for Christian Service, a related party due to a common trustee, donated £8,639 (2024: £nil) to Chapter Two.

CHAPTER TWO

England & Wales - Charity number 1053047

Accounts

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024
FOR
CHAPTER TWO**

**Berringers LLP
Chartered Accountants
Lygon House
50 London Road
Bromley
Kent
BR1 3RA**

CHAPTER TWO

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CHAPTER TWO

REFERENCE AND ADMINISTRATIVE DETAILS for the year ended 31 July 2024

TRUSTEES

S Attwood
Mrs M E Cross
H A Clark
M D Grasso
A F Warnes

PRINCIPAL ADDRESS

Fountain House
Conduit Mews
London
SE18 7AP

REGISTERED CHARITY NUMBER

1053047

INDEPENDENT EXAMINER

Berringers LLP
Chartered Accountants
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

CHAPTER TWO

REPORT OF THE TRUSTEES for the year ended 31 July 2024

The trustees present their report with the financial statements of the charity for the year ended 31 July 2024. The trustees have adopted the provisions of 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 present trustees, who all served throughout the year, are all listed on page 1.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal objective is the advancement of the Christian faith through the provision of literature, and by other means including preaching, conferences, and various forms of outreach.

The charity owns three freehold properties which are used to meet its objectives. The shop, situated at 199 Plumstead Common, is used to distribute literature to the general public. The main warehouse and distribution centre is situated in Fountain House, 3 Conduit Mews, and this property is also used as an administration centre. The property situated at 2 Plum Lane is used to give short term accommodation to volunteer workers from the UK and overseas.

The shop and warehouse continue to distribute literature, both by sale and by gift. The provision of free literature to support Christian outreach and follow-up is funded by sales to the public and by donations received into the General Fund. To enable the provision of quality Christian literature, the Trust seeks continually to update its book catalogue and to raise its profile locally as well through more general advertising.

Public Benefit

The Trustees have had regard to Charity Commission guidance on public benefit and consider that the objectives, aims and achievements of the charity described in the report enable it to meet its duty to the Charity Commission as per Section 17 of the Charities Act 2011 and to the benefit of the public.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The general activities of the Trust continue to be self-financing, with donations and profits on sales of literature, financing literature distribution and administration.

During the year, the value of literature distributed worldwide has increased by 11%; the full range of activities, including the publication of new books and leaflets, has continued. Facilities at Fountain House for storage and despatch have been fully utilised. Literature and correspondence courses have continued to be sent to customers and other contacts in the UK and overseas, and in particular to UK prisons and detention centres. The Trust was also able to source useful collections of second-hand books and use these to replenish its catalogue.

A Christian conference - the annual Plumstead Bible Study Conference - was held at Yarnfield Park Training and Conference Centre in April 2024. It was attended by nearly 300 persons and, as in earlier years, presented Christian truth, resulting in significant sales of literature on site. Expenditure exceeded income for the conference by £5,482. The trustees believe that it has contributed significantly to the overall objectives of the Trust of advancing the Christian faith.

The Trust has also continued to support the Bibleway Camp and various conferences in the UK. The trustees believe that persons attending these events have benefitted in a way consistent with the objectives of the Trust. The Trust's bookshop at 199 Plumstead Common Road has continued to attract additional customers and maintain a high customer satisfaction rating.

CHAPTER TWO

REPORT OF THE TRUSTEES for the year ended 31 July 2024

FINANCIAL REVIEW

Reserves policy

The level of reserves is continually under review to ensure that adequate reserves are always available. The total reserves at 31 July 2024 stood at £1,597,414 (2023 - £1,631,934). This is to ensure that the Charity can meet its objectives and the Trustees are satisfied that the Charity has sufficient funds to fulfil its obligations.

The trustees have determined financial policies as set out below:

- the distribution of free literature, as well as other resources within the charity, continues to follow the principle laid down in 1 Peter 4:10: 'As every man hath received the gift, even so minister the same one to another, as good stewards of the manifold grace of God.'

- cash resources not required for current needs are placed on bank deposit accounts prior to their being used to fund the Charity's activities.

- the charity is funded by both restricted and unrestricted funds.

- unrestricted funds are allocated to the general operations and activities. Donations are allocated to unrestricted funds unless specified otherwise by the donor. Assets representing unrestricted funds are managed by the General Manager and his staff.

- unrestricted funds (excluding designated funds) are to be maintained at a level sufficient to fund the stocks held for sale or distribution and to meet the costs of provision of further literature and governance costs for at least six months.

After meeting all the running costs of the charity, the final results from unrestricted activities, was a deficit of £39,607 (2023 - £10,799). Within the total figure for 2024, sales of literature showed an increase in turnover in comparison with the previous year.

The general fund at 31 July 2024 stood at £1,582,951 as compared with the balance at 31 July 2023 of £1,622,558.

FUTURE PLANS

The Trustees are reliant on God's provision and help in fulfilling the purposes of the Trust and are thankful to record His goodness in sustaining them and the charity in his service. Continuing this dependence, the Trustees intend to continue the same activities for the forthcoming year to further the main objectives of the Trust.

The Trust has plans for future publishing projects and the promotion of the Christian faith, there are adequate reserves available to meet existing on-going needs. It will also continue to maintain and improve its buildings and other facilities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity. Chapter Two is a trust governed by a constitution set out in November 1976 and revised in January 1995.

In the event of the charity being wound up, no liability in respect of the charity will vest in the members of the charity.

Recruitment and appointment of new trustees

New trustees are appointed as and when required by the board of trustees.

Organisational structure

The trustees have delegated day to day management of the charity to the General Manager Mr S Attwood. The General Manager organises the teams of volunteers involved in the distribution of literature from the shop and the warehouse. No salaries are drawn by the staff, all of whom are unpaid volunteers.

Related parties

Mrs M Cross is also a trustee of the charity 'Christian Outreach to the Handicapped'. In addition Chapter Two continues to provide support services and consequently considers itself to be a connected party. Mr S Attwood is a trustee of UK Foundation for Christian Service, a charity which makes donations to Chapter Two from time to time.

CHAPTER TWO

REPORT OF THE TRUSTEES for the year ended 31 July 2024

Approved by order of the board of trustees on 10/4/25 and signed on its behalf by:

S Attwood
S Attwood - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CHAPTER TWO

Independent examiner's report to the trustees of Chapter Two

I report to the charity trustees on my examination of the accounts of Chapter Two (the Trust) for the year ended 31 July 2024.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under Section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under Section 145(5)(b) of the Act.

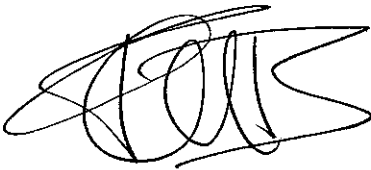
Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Trust as required by Section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



Paul Allan BSocSC FCA
The Institute of Chartered Accountants in England and Wales

Berringers LLP
Chartered Accountants
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

Date: 10/4/25

CHAPTER TWO

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 July 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	53,551	70,689	124,240	172,136
Charitable activities	3	170,216	-	170,216	153,923
Investment income	4	2,439	-	2,439	641
Total		226,206	70,689	296,895	326,700
EXPENDITURE ON					
Charitable activities	5				
Costs of charitable activities		157,921	-	157,921	154,064
Gifts & donations		1,000	8,034	9,034	23,242
Support costs		89,394	-	89,394	97,177
Conference		-	61,863	61,863	60,006
Donated books		-	13,203	13,203	8,396
Total		248,315	83,100	331,415	342,885
NET INCOME/(EXPENDITURE)					
Transfers between funds	14	(22,109)	(12,411)	(34,520)	(16,185)
		(17,498)	17,498	-	-
Net movement in funds		(39,607)	5,087	(34,520)	(16,185)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,622,558	9,376	1,631,934	1,648,119
TOTAL FUNDS CARRIED FORWARD		1,582,951	14,463	1,597,414	1,631,934

The notes form part of these financial statements

CHAPTER TWO

BALANCE SHEET 31 July 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	10	1,046,403	-	1,046,403	1,071,270
CURRENT ASSETS					
Stocks	11	305,586	-	305,586	296,255
Debtors	12	13,966	-	13,966	20,590
Cash at bank and in hand		231,149	14,463	245,612	260,686
		<u>550,701</u>	<u>14,463</u>	<u>565,164</u>	<u>577,531</u>
CREDITORS					
Amounts falling due within one year	13	(14,153)	-	(14,153)	(16,867)
NET CURRENT ASSETS		<u>536,548</u>	<u>14,463</u>	<u>551,011</u>	<u>560,664</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,582,951</u>	<u>14,463</u>	<u>1,597,414</u>	<u>1,631,934</u>
NET ASSETS		<u>1,582,951</u>	<u>14,463</u>	<u>1,597,414</u>	<u>1,631,934</u>
FUNDS	14				
Unrestricted funds				1,582,951	1,622,558
Restricted funds				14,463	9,376
TOTAL FUNDS				<u>1,597,414</u>	<u>1,631,934</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 10/4/25 and were signed on its behalf by:

S Attwood
S Attwood - Trustee

The notes form part of these financial statements

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2024

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations, legacies and gifts are recognised when received or when the charity becomes legally entitled to them, having been notified in writing of both the amount and settlement date. Donations are allocated specifically at the request of the donor, or to the general fund. For legacies, entitlement is taken as the earlier of the date on which either the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% straight line
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets were capitalised at cost including any incidental expenses of acquisition or in cases where they have been donated the value at the time the donated asset is received. The freehold land and buildings have been subsequently recorded at valuation as at 8 July 2020. The Trustees believe that there has been no material market movement since then.

Stocks

Stocks are valued at the lower of cost or net realisable value after making due allowance for any obsolete or slow moving items. A provision based on the current level of stocks given away during the current year is made to reduce the carrying value of stocks in respect of stocks to be given away during the forthcoming year.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The three restricted funds include;

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2024

1. ACCOUNTING POLICIES - continued

Fund accounting

- 1) General gifts and donations that are used as specified by the donor.
- 2) Gifts of Bibles for Prisons
- 3) The conference, held in Yarnfield Park Training and Conference Centre.

The conference surplus/deficit is netted off to the general fund, and the balance of the gifts and donations are carried forward. Gifts for Bibles for Prisons, if in deficit, will be supported by the general fund.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. DONATIONS AND LEGACIES

	2024	2023
	£	£
Gifts	124,240	152,136
Legacies	-	20,000
	<u>124,240</u>	<u>172,136</u>

3. CHARITABLE ACTIVITIES

	2024	2023
	£	£
Sale of literature & related products	170,216	153,523
Management charges	-	400
	<u>170,216</u>	<u>153,923</u>

The sale of Christian literature is considered by the Trustees to be trade pursuant to the charity's objects.

4. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	<u>2,439</u>	<u>641</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2024

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Costs of charitable activities	157,921	-	157,921
Gifts & donations	9,034	-	9,034
Support costs	-	89,394	89,394
Conference	61,863	-	61,863
Donated books	13,203	-	13,203
	<u>242,021</u>	<u>89,394</u>	<u>331,415</u>

6. SUPPORT COSTS

	Finance £	Other £	Governance costs £	Totals £
Support costs	<u>4,884</u>	<u>75,785</u>	<u>8,725</u>	<u>89,394</u>

Support costs, included in the above, are as follows:

Other

	2024 Support costs £	2023 Total activities £
Rates and water	7,032	5,043
Insurance	2,886	2,628
Light and heat	6,668	5,709
Telephone	3,281	3,497
Postage and stationery	3,869	4,541
Advertising	4,390	4,759
Travelling	956	2,525
Motor expenses	4,855	3,896
Website & computer	4,352	4,083
Repairs & renewals	1,912	7,870
Cleaning & waste disposal	4,073	3,269
Sundries	5,893	5,607
Exchange rate movement	(190)	5,085
Depreciation of tangible fixed assets	24,868	25,623
Leasing	940	715
	<u>75,785</u>	<u>84,850</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2024

6. SUPPORT COSTS - continued Governance costs

	2024 Support costs £	2023 Total activities £
Accountancy	4,000	3,165
Independent examination	4,725	4,725
	<u>8,725</u>	<u>7,890</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

Expenses during the year paid on behalf of a trustee amounted in total to £241 (2023 - £1,492) for travel costs on behalf of Chapter Two.

Trustees' expenses

Included within restricted funds are those donations of £2,977 (2023 - £4,408) that were received by Chapter Two to be distributed to specific Trustees as per the donors instructions.

In the year accommodation was provided for a few days a week in one of the properties owned by the charity to one trustee to enable him to more effectively fulfil his duties as a trustee in furthering the sale and distribution of Christian literature. The trustee lives at such a distance from the charity that daily commuting would be both costly to the charity and impractical.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	76,238	95,898	172,136
Charitable activities	153,923	-	153,923
Investment income	641	-	641
Total	<u>230,802</u>	<u>95,898</u>	<u>326,700</u>
EXPENDITURE ON			
Charitable activities			
Costs of charitable activities	154,064	-	154,064
Gifts & donations	-	23,242	23,242
Support costs	97,177	-	97,177
Conference	-	60,006	60,006
Donated books	-	8,396	8,396
Total	<u>251,241</u>	<u>91,644</u>	<u>342,885</u>
NET INCOME/(EXPENDITURE)	(20,439)	4,254	(16,185)
Transfers between funds	9,640	(9,640)	-
Net movement in funds	<u>(10,799)</u>	<u>(5,386)</u>	<u>(16,185)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	1,633,357	14,762	1,648,119

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2024

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
TOTAL FUNDS CARRIED FORWARD	1,622,558	9,376	1,631,934

9. INTANGIBLE FIXED ASSETS

	Website £
COST	
At 1 August 2023 and 31 July 2024	4,425
AMORTISATION	
At 1 August 2023 and 31 July 2024	4,425
NET BOOK VALUE	
At 31 July 2024	-
At 31 July 2023	-

10. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 August 2023 and 31 July 2024	1,130,000	50,122	26,222	3,154	1,209,498
DEPRECIATION					
At 1 August 2023	67,800	48,555	20,198	1,675	138,228
Charge for year	22,600	391	1,506	370	24,867
At 31 July 2024	90,400	48,946	21,704	2,045	163,095
NET BOOK VALUE					
At 31 July 2024	1,039,600	1,176	4,518	1,109	1,046,403
At 31 July 2023	1,062,200	1,567	6,024	1,479	1,071,270

The properties were revalued by P L W Morgan FRICS MCI Arb of Morgans Chartered Surveyors, 28 Sundridge Avenue, Bromley BR1 2PX on 8 July 2020. Currently the valuation of the property is represented by:

Valuation surplus	£
Cost	841,463
	288,537
Total	1,130,000

The Trustees believe that there has been no material market movement since then.

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2024

11. STOCKS

	2024	2023
	£	£
Stocks	<u>305,586</u>	<u>296,255</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade debtors	7,262	12,204
VAT	950	2,406
Prepayments	5,754	5,980
	<u>13,966</u>	<u>20,590</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	6,102	9,426
Other creditors	8,051	7,441
	<u>14,153</u>	<u>16,867</u>

14. MOVEMENT IN FUNDS

	At 1.8.23 £	Net movement in funds £	Transfers between funds £	At 31.7.24 £
Unrestricted funds				
General fund	831,583	(22,109)	(669)	808,805
Revaluation reserve	790,975	-	(16,829)	774,146
	<u>1,622,558</u>	<u>(22,109)</u>	<u>(17,498)</u>	<u>1,582,951</u>
Restricted funds				
Gifts and Donations	9,376	5,087	-	14,463
Conference	-	(5,482)	5,482	-
Bibles and Prison	-	(12,016)	12,016	-
	<u>9,376</u>	<u>(12,411)</u>	<u>17,498</u>	<u>14,463</u>
TOTAL FUNDS	<u>1,631,934</u>	<u>(34,520)</u>	<u>-</u>	<u>1,597,414</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2024

14. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	226,206	(248,315)	(22,109)
Restricted funds			
Gifts and Donations	13,121	(8,034)	5,087
Conference	56,381	(61,863)	(5,482)
Bibles and Prison	1,187	(13,203)	(12,016)
	<u>70,689</u>	<u>(83,100)</u>	<u>(12,411)</u>
TOTAL FUNDS	<u>296,895</u>	<u>(331,415)</u>	<u>(34,520)</u>

Comparatives for movement in funds

	At 1.8.22 £	Net movement in funds £	Transfers between funds £	At 31.7.23 £
Unrestricted funds				
General fund	791,893	(20,439)	60,128	831,582
Revaluation reserve	841,464	-	(50,488)	790,976
	<u>1,633,357</u>	<u>(20,439)</u>	<u>9,640</u>	<u>1,622,558</u>
Restricted funds				
Gifts and Donations	14,762	(5,386)	-	9,376
Conference	-	17,856	(17,856)	-
Bibles and Prison	-	(8,216)	8,216	-
	<u>14,762</u>	<u>4,254</u>	<u>(9,640)</u>	<u>9,376</u>
TOTAL FUNDS	<u>1,648,119</u>	<u>(16,185)</u>	<u>-</u>	<u>1,631,934</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2024

14. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	230,802	(251,241)	(20,439)
Restricted funds			
Gifts and Donations	17,856	(23,242)	(5,386)
Conference	77,862	(60,006)	17,856
Bibles and Prison	180	(8,396)	(8,216)
	<u>95,898</u>	<u>(91,644)</u>	<u>4,254</u>
TOTAL FUNDS	<u>326,700</u>	<u>(342,885)</u>	<u>(16,185)</u>

Both the Gifts and Donations fund and the Conference fund are restricted, but are supported, where necessary, by the unrestricted fund. Any shortfall or surplus in the Conference fund for the year is netted off to zero at the end of the year via a transfer from/to the unrestricted fund.

The expenditure relating to Bibles donated exceeded the donations received, and therefore a contribution was required from the general fund of £12,016 (2023: £8,216). The expenditure relating to the conference exceeded the donations by £5,482 (2023: donations exceed expenditure by £17,856), therefore this has been transferred to the unrestricted fund.

15. RELATED PARTY DISCLOSURES

The charity has received £nil (2023 - £400) from Christian Outreach to the Handicapped by way of a management charge, which is considered a related party transaction.

UK Foundation for Christian Service, a related party due to a common trustee, donated £nil (2023: £500) to Chapter Two. CMI AID, a related party due to a common trustee, was invoiced £126 (2022: £225) during the year for postage and delivery charges.

CHAPTER TWO

England & Wales - Charity number 1053047

Accounts

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023
FOR
CHAPTER TWO**

Berringers LLP
Chartered Accountants
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

CHAPTER TWO

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CHAPTER TWO
REFERENCE AND ADMINISTRATIVE DETAILS
for the year ended 31 July 2023

TRUSTEES	S Attwood Mrs M E Cross H A Clark M D Grasso A F Warnes
PRINCIPAL ADDRESS	Fountain House Conduit Mews London SE18 7AP
REGISTERED CHARITY NUMBER	1053047
INDEPENDENT EXAMINER	Berringers LLP Chartered Accountants Lygon House 50 London Road Bromley Kent BR1 3RA

CHAPTER TWO

REPORT OF THE TRUSTEES for the year ended 31 July 2023

The trustees present their report with the financial statements of the charity for the year ended 31 July 2023. The trustees have adopted the provisions of 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 present trustees, who all served throughout the year, are all listed on page 1.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal objective is the advancement of the Christian faith through the provision of literature, and by other means including preaching, conferences, and various forms of outreach.

The charity owns three freehold properties which are used to meet its objectives. The shop, situated at 199 Plumstead Common, is used to distribute literature to the general public. The main warehouse and distribution centre is situated in Fountain House, 3 Conduit Mews, and this property is also used as an administration centre. The property situated at 2 Plum Lane is used to give short term accommodation to volunteer workers from UK and overseas.

The shop and warehouse continue to distribute literature, both by sale and by gift. The provision of free literature to support Christian outreach and follow-up is funded by sales to the public and by donations received into the General Fund. To enable the provision of quality Christian literature, the Trust seeks continually to update its book catalogue and to raise its profile locally as well through more general advertising.

Public Benefit

The Trustees have had regard to Charity Commission guidance on public benefit and consider that the objectives, aims and achievements of the charity described in the report enable it to meet its duty to the Charity Commission as per Section 17 of the Charities Act 2011 and to the benefit of the public.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The general activities of the Trust continue to be self-financing, with donations and profits on sales of literature, financing literature distribution and administration.

During the year, the value of literature distributed worldwide has increased by 14%; the full range of activities, including the publication of new books and leaflets, has continued. Facilities at Fountain House for storage and despatch have been fully utilised. Literature and correspondence courses have continued to be sent to customers and other contacts in the UK and overseas, and in particular to UK prisons and detention centres. The Trust was also able to source useful collections of second-hand books and use these to replenish its catalogue. It exhibited at the annual Christian Resources Exhibition which was held at Sandown Racecourse, Esher in October 2022.

A Christian conference - the annual Plumstead Bible Study Conference - was held at Yarnfield Park Training and Conference Centre in April 2023 after a break from 2020 to 2022 caused by the Covid-19 pandemic. It was attended by nearly 300 persons and, as in earlier years, presented Christian truth, resulting in significant sales of literature on site. Income exceeded expenditure for the conference by £17,856. The trustees believe that it has contributed significantly to the overall objectives of the Trust of advancing the Christian faith.

Outreach during the year included a visit to India, which involved teaching the Christian faith and pastoral care, and providing practical advice for people in various places. The Trust has also continued to support the Bibleway Camp and conferences in the UK. The trustees believe that persons attending these events have benefitted in a way consistent with the objectives of the Trust. The Trust has also been able to meet the needs of people in the local area and wider afield who were customers of Christian bookshops which have ceased trading since the Covid-19 pandemic.

During the year, the Trust undertook repair works to maintain its buildings including improvements to customer access at the shop at 199 Plumstead Common Road. It was also able to negotiate a two-year electricity supply contract at Fountain House that benefitted from the reduction in energy prices in 2023 after the initial hike in 2022 resulting from the war in Ukraine. It also implemented full fibre for its phone lines at Fountain House.

CHAPTER TWO

**REPORT OF THE TRUSTEES
for the year ended 31 July 2023**

Approved by order of the board of trustees on 29/1/2024..... and signed on its behalf by:

.....SA Attwood.....
S Attwood - Trustee

CHAPTER TWO

REPORT OF THE TRUSTEES for the year ended 31 July 2023

FINANCIAL REVIEW

Reserves policy

The level of reserves is continually under review to ensure that adequate reserves are always available. The total reserves at 31 July 2023 stood at £1,631,934 (2022 - £1,648,119). This is to ensure that the Charity can meet its objectives and the Trustees are satisfied that the Charity has sufficient funds to fulfil its obligations.

The trustees have determined financial policies as set out below:

- * the distribution of free literature, as well as other resources within the charity, continues to follow the principle laid down in 1 Peter 4:10 - 'As every man hath received the gift, even so minister the same one to another, as good stewards of the manifold grace of God.'

- * cash resources not required for current needs are placed on bank deposit accounts prior to their being used to fund the Charity's activities.

- * the charity is funded by both restricted and unrestricted funds.

- * unrestricted funds are allocated to the general operations and activities. Donations are allocated to unrestricted funds unless specified otherwise by the donor. Assets representing unrestricted funds are managed by the General Manager and his staff.

- * unrestricted funds (excluding designated funds) are to be maintained at a level sufficient to fund the stocks held for sale or distribution and to meet the costs of provision of further literature and governance costs for at least six months.

After meeting all the running costs of the charity, the final results from unrestricted activities, was a deficit of £10,799 (2022 - £26,015). Within the total figure for 2023, sales of literature showed an increase in turnover in comparison with the previous year.

The general fund at 31 July 2023 stood at £1,612,558 as compared with the balance at 31 July 2022 of £1,633,357.

FUTURE PLANS

The Trustees are reliant on God's provision and help in fulfilling the purposes of the Trust and are thankful to record His goodness in sustaining them and the charity in his service. Continuing this dependence, the Trustees intend to continue the same activities for the forthcoming year to further the main objectives of the Trust.

The Trust has plans for future publishing projects and the promotion of the Christian faith, there are adequate reserves available to meet existing on-going needs. It will also continue to maintain and improve its buildings and other facilities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity. Chapter Two is a trust governed by a constitution set out in November 1976 and revised in January 1995.

In the event of the charity being wound up, no liability in respect of the charity will vest in the members of the charity.

Recruitment and appointment of new trustees

New trustees are appointed as and when required by the board of trustees.

Organisational structure

The trustees have delegated day to day management of the charity to the General Manager Mr S Attwood. The General Manager organises the teams of volunteers involved in the distribution of literature from the shop and the warehouse. No salaries are drawn by the staff, all of whom are unpaid volunteers.

Related parties

Mrs M Cross is also a trustee of the charity "Christian Outreach to the Handicapped". In addition Chapter Two continues to provide support services and consequently considers itself to be a connected party. Mr S Attwood is a trustee of UK Foundation for Christian Service, a charity which makes donations to Chapter Two from time to time.

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
CHAPTER TWO**

Independent examiner's report to the trustees of Chapter Two

I report to the charity trustees on my examination of the accounts of Chapter Two (the Trust) for the year ended 31 July 2023.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under Section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under Section 145(5)(b) of the Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Trust as required by Section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



Paul Allan BSocSC FCA
The Institute of Chartered Accountants in England and Wales

Berringers LLP
Chartered Accountants
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

Date: 29.11.2024

CHAPTER TWO

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 July 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	76,238	95,898	172,136	70,141
Charitable activities	3	153,923	-	153,923	135,351
Investment income	4	641	-	641	87
Total		230,802	95,898	326,700	205,579
EXPENDITURE ON					
Charitable activities	5				
Costs of charitable activities		154,064	-	154,064	130,088
Gifts & donations		-	23,242	23,242	21,520
Support costs		97,177	-	97,177	76,152
Conference		-	60,006	60,006	-
Donated books		-	8,396	8,396	8,373
Total		251,241	91,644	342,885	236,133
NET INCOME/(EXPENDITURE)		(20,439)	4,254	(16,185)	(30,554)
Transfers between funds	14	9,640	(9,640)	-	-
Net movement in funds		(10,799)	(5,386)	(16,185)	(30,554)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,633,357	14,762	1,648,119	1,678,673
TOTAL FUNDS CARRIED FORWARD		1,622,558	9,376	1,631,934	1,648,119

The notes form part of these financial statements

CHAPTER TWO

BALANCE SHEET 31 July 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	10	1,071,270	-	1,071,270	1,096,103
CURRENT ASSETS					
Stocks	11	296,255	-	296,255	280,560
Debtors	12	20,590	-	20,590	18,492
Cash at bank and in hand		251,310	9,376	260,686	283,889
		<u>568,155</u>	<u>9,376</u>	<u>577,531</u>	<u>582,941</u>
CREDITORS					
Amounts falling due within one year	13	(16,867)	-	(16,867)	(30,925)
NET CURRENT ASSETS		<u>551,288</u>	<u>9,376</u>	<u>560,664</u>	<u>552,016</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,622,558</u>	<u>9,376</u>	<u>1,631,934</u>	<u>1,648,119</u>
NET ASSETS		<u>1,622,558</u>	<u>9,376</u>	<u>1,631,934</u>	<u>1,648,119</u>
FUNDS	14				
Unrestricted funds				1,622,558	1,633,357
Restricted funds				9,376	14,762
TOTAL FUNDS				<u>1,631,934</u>	<u>1,648,119</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 29/1/2024 and were signed on its behalf by:

S Attwood
S Attwood - Trustee

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations, legacies and gifts are recognised when received or when the charity becomes legally entitled to them, having been notified in writing of both the amount and settlement date. Donations are allocated specifically at the request of the donor, or to the general fund. For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% straight line
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets were capitalised at cost including any incidental expenses of acquisition or in cases where they have been donated the value at the time the donated asset is received. The freehold land and buildings have been subsequently recorded at valuation as at 8 July 2020. The Trustees believe that there has been no material market movement since then.

Stocks

Stocks are valued at the lower of cost or net realisable value after making due allowance for any obsolete or slow moving items. A provision based on the current level of stocks given away during the current year is made to reduce the carrying value of stocks in respect of stocks to be given away during the forthcoming year.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The three restricted funds include;

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2023

1. ACCOUNTING POLICIES - continued

Fund accounting

- 1) General gifts and donations that are used as specified by the donor.
- 2) Gifts of Bibles for Prisons
- 3) The conference, held in Yarnfield Park Training and Conference Centre.

The conference surplus/deficit is netted off to the general fund, and the balance of the gifts and donations are carried forward. Gifts for Bibles for Prisons, if in deficit, will be supported by the general fund.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Gifts	152,136	65,441
Legacies	20,000	4,700
	<u>172,136</u>	<u>70,141</u>

3. CHARITABLE ACTIVITIES

	2023	2022
	£	£
Sale of literature & related products	153,523	134,951
Management charges	400	400
	<u>153,923</u>	<u>135,351</u>

The sale of Christian literature is considered by the Trustees to be trade pursuant to the charity's objects.

4. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	<u>641</u>	<u>87</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2023

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Costs of charitable activities	154,064	-	154,064
Gifts & donations	23,242	-	23,242
Support costs	-	97,177	97,177
Conference	60,006	-	60,006
Donated books	8,396	-	8,396
	<u>245,708</u>	<u>97,177</u>	<u>342,885</u>

6. SUPPORT COSTS

	Finance £	Other £	Governance costs £	Totals £
Support costs	<u>4,437</u>	<u>84,850</u>	<u>7,890</u>	<u>97,177</u>

Support costs, included in the above, are as follows:

Other

	2023 Support costs £	2022 Total activities £
Rates and water	5,043	5,949
Insurance	2,628	2,393
Light and heat	5,709	5,005
Telephone	3,497	3,102
Postage and stationery	4,541	3,579
Advertising	4,759	8,032
Travelling	2,525	513
Motor expenses	3,896	2,841
Website & computer	4,083	3,461
Repairs & renewals	7,870	7,875
Cleaning & waste disposal	3,269	784
Sundries	5,607	2,207
Exchange rate movement	5,085	(10,223)
Depreciation of tangible fixed assets	25,623	26,564
Leasing	715	1,109
	<u>84,850</u>	<u>63,191</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2023

6. SUPPORT COSTS - continued

Governance costs

	2023 Support costs £	2022 Total activities £
Accountancy	3,165	2,800
Independent examination	4,725	4,500
	<u>7,890</u>	<u>7,300</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

Expenses during the year paid on behalf of a trustee amounted in total to £1,492 (2022 - £nil) for travel costs on behalf of Chapter Two.

Trustees' expenses

Included within restricted funds are those donations of £4,408 (2022 - £4,531) that were received by Chapter Two to be distributed to specific Trustees as per the donors instructions. In addition, £5,412 was paid to a trustee relating to donations in prior years.

In the year accommodation was provided for a few days a week in one of the properties owned by the charity to one trustee to enable him to more effectively fulfil his duties as a trustee in furthering the sale and distribution of Christian literature. The trustee lives at such a distance from the charity that daily commuting would be both costly to the charity and impractical.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	52,733	17,408	70,141
Charitable activities	135,351	-	135,351
Investment income	87	-	87
Total	<u>188,171</u>	<u>17,408</u>	<u>205,579</u>
EXPENDITURE ON			
Charitable activities			
Costs of charitable activities	130,088	-	130,088
Gifts & donations	-	21,520	21,520
Support costs	76,152	-	76,152
Donated books	-	8,373	8,373
Total	<u>206,240</u>	<u>29,893</u>	<u>236,133</u>
NET INCOME/(EXPENDITURE)	(18,069)	(12,485)	(30,554)
Transfers between funds	(7,946)	7,946	-
Net movement in funds	(26,015)	(4,539)	(30,554)
RECONCILIATION OF FUNDS			
Total funds brought forward	1,659,372	19,301	1,678,673

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2023

14. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	230,802	(251,241)	(20,439)
Restricted funds			
Gifts and Donations	17,856	(23,242)	(5,386)
Conference	77,862	(60,006)	17,856
Bibles and Prison	180	(8,396)	(8,216)
	<u>95,898</u>	<u>(91,644)</u>	<u>4,254</u>
TOTAL FUNDS	<u>326,700</u>	<u>(342,885)</u>	<u>(16,185)</u>

Comparatives for movement in funds

	At 1.8.21 £	Net movement in funds £	Transfers between funds £	At 31.7.22 £
Unrestricted funds				
General fund	817,908	(18,069)	(7,946)	791,893
Revaluation reserve	841,464	-	-	841,464
	<u>1,659,372</u>	<u>(18,069)</u>	<u>(7,946)</u>	<u>1,633,357</u>
Restricted funds				
Gifts and Donations	19,301	(4,539)	-	14,762
Bibles and Prison	-	(7,946)	7,946	-
	<u>19,301</u>	<u>(12,485)</u>	<u>7,946</u>	<u>14,762</u>
TOTAL FUNDS	<u>1,678,673</u>	<u>(30,554)</u>	<u>-</u>	<u>1,648,119</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	188,171	(206,240)	(18,069)
Restricted funds			
Gifts and Donations	16,981	(21,520)	(4,539)
Bibles and Prison	427	(8,373)	(7,946)
	<u>17,408</u>	<u>(29,893)</u>	<u>(12,485)</u>
TOTAL FUNDS	<u>205,579</u>	<u>(236,133)</u>	<u>(30,554)</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2023

14. MOVEMENT IN FUNDS - continued

Both the Gifts and Donations fund and the Conference fund are restricted, but are supported, where necessary, by the unrestricted fund. Any shortfall or surplus in the Conference fund for the year is netted off to zero at the end of the year via a transfer from/to the unrestricted fund.

The expenditure relating to Bibles donated exceeded the donations received, and therefore a contribution was required from the general fund of £8,216 (2022: £7,946). The donations relating to the conference exceeded the expenditure by £17,856, therefore this has been transferred to the unrestricted fund.

15. RELATED PARTY DISCLOSURES

The charity has received £400 (2022 - £400) from Christian Outreach to the Handicapped by way of a management charge, which is considered a related party transaction.

UK Foundation for Christian Service, a related party due to a common trustee, donated £500 (2022: £900) to Chapter Two. CMI AID, a related party due to a common trustee, was invoiced £225 (2022: £774) during the year for postage and delivery charges.

CHAPTER TWO

England & Wales - Charity number 1053047

Accounts

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022
FOR
CHAPTER TWO**

Berringers LLP
Chartered Accountants
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

CHAPTER TWO

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CHAPTER TWO

REFERENCE AND ADMINISTRATIVE DETAILS for the year ended 31 July 2022

TRUSTEES	S Attwood Mrs M E Cross H A Clark M D Grasso A F Warnes
PRINCIPAL ADDRESS	Fountain House Conduit Mews London SE18 7AP
REGISTERED CHARITY NUMBER	1053047
INDEPENDENT EXAMINER	Berringers LLP Chartered Accountants Lygon House 50 London Road Bromley Kent BR1 3RA

CHAPTER TWO

REPORT OF THE TRUSTEES for the year ended 31 July 2022

The trustees present their report with the financial statements of the charity for the year ended 31 July 2022. The trustees have adopted the provisions of 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 present trustees, who all served throughout the year, are all listed on page 1.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal objective is the advancement of the Christian faith through the provision of literature, and by other means including preaching, conferences, and various forms of outreach.

The charity owns three freehold properties which are used to meet its objectives. The shop, situated at 199 Plumstead Common, is used to distribute literature to the general public. The main warehouse and distribution centre is situated in Fountain House, 3 Conduit Mews, and this property is also used as an administration centre. The property situated at 2 Plum Lane is used to give short term accommodation to volunteer workers from UK and overseas.

The shop and warehouse continue to distribute literature, both by sale and by gift. The provision of free literature to support Christian outreach and follow-up is funded by sales to the public and by donations received into the General Fund. To enable the provision of quality Christian literature, the Trust seeks continually to update its book catalogue and to raise its profile locally as well through more general advertising.

Public Benefit

The Trustees have had regard to Charity Commission guidance on public benefit and consider that the objectives, aims and achievements of the charity described in the report enable it to meet its duty to the Charity Commission as per Section 17 of the Charities Act 2011 and to the benefit of the public.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The general activities of the Trust continue to be self-financing, with donations and profits on sales of literature, financing literature distribution and administration.

During the year, the value of literature distributed worldwide has increased by 20%; the full range of activities, including the publication of new books and leaflets, has continued. Facilities at Fountain House for storage and despatch have been fully utilised. Literature and correspondence courses have continued to be sent to customers and other contacts in the UK and overseas, and in particular to UK prisons and detention centres.

Having said this, the coronavirus pandemic had some residual effects on the activities of the trust. It was not possible to hold the annual Plumstead Bible Conference at Yarnfield Park Training and Conference Centre in April 2022 due to concerns that a resurgence of the virus might result in the reimposition of restrictions on events and travel. This did not occur but we have since held a conference at the centre in April 2023.

CHAPTER TWO

REPORT OF THE TRUSTEES for the year ended 31 July 2022

ACHIEVEMENT AND PERFORMANCE

We were able to achieve the following in 2021/22:

- Maintain recurring publications and restart new projects in the second half of the year which has led to two books and several tracts being printed since then.
- Open our shop on the street (199 Plumstead Common Road) throughout the year with sales exceeding previous years.
- Participate in the UK Christian Resources Exhibition in October 2021, which enabled us to reconnect with customers and make new contacts though the size of exhibition and the numbers who attended were less than in the years prior to the pandemic.
- Hold a successful second-hand book sale in January 2022.
- Supply literature for the Bibleway Camp bookstall in July 2022.
- Repair the back wall of Fountain House and carry out associated internal redecoration work.
- Extend the electricity supply contract for the shop on the street to 2026 before the significant hike in energy prices following the start of the war in Ukraine.
- Maintain sales internationally despite changing customs requirements since Brexit and the increased overheads associated with these in terms of time, cost and effort.

We believe these achievements have enabled us to maintain and improve our effectiveness and keep control of our running costs going forward.

FINANCIAL REVIEW

Reserves policy

The level of reserves is continually under review to ensure that adequate reserves are always available. The total reserves at 31 July 2022 stood at £1,648,119 (2021 - £1,678,673). This is to ensure that the Charity can meet its objectives and the Trustees are satisfied that the Charity has sufficient funds to fulfil its obligations.

The trustees have determined financial policies as set out below:

* the distribution of free literature, as well as other resources within the charity, continues to follow the principle laid down in 1 Peter 4:10 - 'As every man hath received the gift, even so minister the same one to another, as good stewards of the manifold grace of God.'

* cash resources not required for current needs are placed on bank deposit accounts prior to their being used to fund the Charity's activities.

* the charity is funded by both restricted and unrestricted funds.

* unrestricted funds are allocated to the general operations and activities. Donations are allocated to unrestricted funds unless specified otherwise by the donor. Assets representing unrestricted funds are managed by the General Manager and his staff.

* unrestricted funds (excluding designated funds) are to be maintained at a level sufficient to fund the stocks held for sale or distribution and to meet the costs of provision of further literature and governance costs for at least six months.

After meeting all the running costs of the charity, the final results from unrestricted activities, was a deficit of £26,015 (2021 - £34,602) Within the total figure for 2022, sales of literature showed an increase in turnover in comparison with the previous year and produced a surplus of £4,863 (2021 - £15,730).

The general fund at 31 July 2022 stood at £1,633,357 as compared with the balance at 31 July 2021 of £1,659,372.

FUTURE PLANS

The Trustees are reliant on God's provision and help in fulfilling the purposes of the Trust and are thankful to record His goodness in sustaining them and the charity in his service. Continuing this dependence, the Trustees intend to continue the same activities for the forthcoming year to further the main objectives of the Trust.

The Trust has plans for future publishing projects and the promotion of the Christian faith, there are adequate reserves available to meet existing on-going needs. It will also continue to maintain and improve its buildings and other facilities.

CHAPTER TWO

REPORT OF THE TRUSTEES for the year ended 31 July 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity. Chapter Two is a trust governed by a constitution set out in November 1976 and revised in January 1995.

In the event of the charity being wound up, no liability in respect of the charity will vest in the members of the charity.

Recruitment and appointment of new trustees

New trustees are appointed as and when required by the board of trustees.

Organisational structure

The trustees have delegated day to day management of the charity to the General Manager Mr S Attwood. The General Manager organises the teams of volunteers involved in the distribution of literature from the shop and the warehouse. No salaries are drawn by the staff, all of whom are unpaid volunteers.

Related parties

Mrs M Cross is also a trustee of the charity "Christian Outreach to the Handicapped". In addition Chapter Two continues to provide support services and consequently considers itself to be a connected party. Mr S Attwood is a trustee of UK Foundation for Christian Service, a charity which makes donations to Chapter Two from time to time.

Approved by order of the board of trustees on 8 May 2023 and signed on its behalf by:

S Attwood - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CHAPTER TWO

Independent examiner's report to the trustees of Chapter Two

I report to the charity trustees on my examination of the accounts of Chapter Two (the Trust) for the year ended 31 July 2022.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under Section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under Section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Trust as required by Section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

Paul Allan BSocSC FCA

Berringers LLP
Chartered Accountants
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

8 May 2023

CHAPTER TWO

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 July 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	52,733	17,408	70,141	130,132
Charitable activities	3	135,351	-	135,351	112,932
Investment income	4	87	-	87	256
Other income		-	-	-	499
Total		188,171	17,408	205,579	243,819
EXPENDITURE ON					
Charitable activities	5				
Costs of charitable activities		130,088	-	130,088	96,802
Gifts & donations		-	21,520	21,520	16,245
Support costs		76,152	-	76,152	87,076
Donated books		-	8,373	8,373	8,457
Total		206,240	29,893	236,133	208,580
NET INCOME/(EXPENDITURE)		(18,069)	(12,485)	(30,554)	35,239
Transfers between funds	14	(7,946)	7,946	-	-
Net movement in funds		(26,015)	(4,539)	(30,554)	35,239
RECONCILIATION OF FUNDS					
Total funds brought forward		1,659,372	19,301	1,678,673	1,643,434
TOTAL FUNDS CARRIED FORWARD		1,633,357	14,762	1,648,119	1,678,673

The notes form part of these financial statements

CHAPTER TWO

BALANCE SHEET 31 July 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	10	1,096,103	-	1,096,103	1,122,061
CURRENT ASSETS					
Stocks	11	280,560	-	280,560	277,037
Debtors	12	18,492	-	18,492	65,674
Cash at bank and in hand		255,622	28,267	283,889	236,535
		554,674	28,267	582,941	579,246
CREDITORS					
Amounts falling due within one year	13	(17,420)	(13,505)	(30,925)	(22,634)
NET CURRENT ASSETS		537,254	14,762	552,016	556,612
TOTAL ASSETS LESS CURRENT LIABILITIES		1,633,357	14,762	1,648,119	1,678,673
NET ASSETS		1,633,357	14,762	1,648,119	1,678,673
FUNDS	14				
Unrestricted funds				1,633,357	1,659,372
Restricted funds				14,762	19,301
TOTAL FUNDS				1,648,119	1,678,673

The financial statements were approved by the Board of Trustees and authorised for issue on 8 May 2023 and were signed on its behalf by:

S Attwood - Trustee

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations, legacies and gifts are recognised when received or when the charity becomes legally entitled to them, having been notified in writing of both the amount and settlement date. Donations are allocated specifically at the request of the donor, or to the general fund. For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% straight line
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets were capitalised at cost including any incidental expenses of acquisition or in cases where they have been donated the value at the time the donated asset is received. The freehold land and buildings have been subsequently recorded at valuation as at 8 July 2020. The Trustees believe that there has been no material market movement since then.

Stocks

Stocks are valued at the lower of cost or net realisable value after making due allowance for any obsolete or slow moving items. A provision based on the current level of stocks given away during the current year is made to reduce the carrying value of stocks in respect of stocks to be given away during the forthcoming year.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The three restricted funds include;

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2022

1. ACCOUNTING POLICIES - continued

Fund accounting

- 1) General gifts and donations that are used as specified by the donor.
- 2) Gifts of Bibles for Prisons
- 3) The conference, held in Yarnfield Park Training and Conference Centre.

The conference surplus/deficit is netted off to the general fund, and the balance of the gifts and donations are carried forward. Gifts for Bibles for Prisons, if in deficit, will be supported by the general fund.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. DONATIONS AND LEGACIES

	2022 £	2021 £
Gifts	65,441	85,132
Legacies	4,700	45,000
	<u>70,141</u>	<u>130,132</u>

3. CHARITABLE ACTIVITIES

	2022 £	2021 £
Sale of literature & related products	134,951	112,532
Management charges	400	400
	<u>135,351</u>	<u>112,932</u>

The sale of Christian literature is considered by the Trustees to be trade pursuant to the charity's objects.

4. INVESTMENT INCOME

	2022 £	2021 £
Deposit account interest	87	256

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2022

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Costs of charitable activities	130,088	-	130,088
Gifts & donations	21,520	-	21,520
Support costs	2,308	73,844	76,152
Donated books	8,373	-	8,373
	<u>162,289</u>	<u>73,844</u>	<u>236,133</u>

6. SUPPORT COSTS

	Finance £	Other £	Governance costs £	Totals £
Support costs	<u>3,353</u>	<u>63,191</u>	<u>7,300</u>	<u>73,844</u>

Support costs, included in the above, are as follows:

Other

	2022 Support costs £	2021 Total activities £
Rates and water	5,949	5,435
Insurance	2,393	2,433
Light and heat	5,005	4,592
Telephone	3,102	4,311
Postage and stationery	3,579	2,477
Advertising	8,032	4,093
Travelling	513	87
Motor expenses	2,841	3,361
Website & computer	3,461	3,049
Repairs & renewals	7,875	5,494
Cleaning & waste disposal	784	712
Sundries	2,207	1,670
Exchange rate movement	(10,223)	8,507
Amortisation of intangible fixed assets	-	2,212
Depreciation of tangible fixed assets	26,564	27,488
Leasing	1,109	1,014
	<u>63,191</u>	<u>76,935</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2022

6. SUPPORT COSTS - continued

Governance costs

	2022 Support costs £	2021 Total activities £
Accountancy	2,800	2,820
Independent examination	4,500	4,375
	<u>7,300</u>	<u>7,195</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

Expenses during the year paid on behalf of a trustee amounted in total to £nil (2021 - £67) for travel costs on behalf of Chapter Two.

Trustees' expenses

Included within restricted funds are those donations of £4,531 (2021 - £4,659) that were received by Chapter Two and distributed to specific Trustees as per the donors instructions.

In the year accommodation was provided for a few days a week in one of the properties owned by the charity to one trustee to enable him to more effectively fulfil his duties as a trustee in furthering the sale and distribution of Christian literature. The trustee lives at such a distance from the charity that daily commuting would be both costly to the charity and impractical.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	107,632	22,500	130,132
Charitable activities	112,932	-	112,932
Investment income	256	-	256
Other income	499	-	499
Total	<u>221,319</u>	<u>22,500</u>	<u>243,819</u>
EXPENDITURE ON			
Charitable activities			
Costs of charitable activities	96,802	-	96,802
Gifts & donations	-	16,245	16,245
Support costs	83,896	3,180	87,076
Donated books	-	8,457	8,457
Total	<u>180,698</u>	<u>27,882</u>	<u>208,580</u>
NET INCOME/(EXPENDITURE)	40,621	(5,382)	35,239
Transfers between funds	(6,019)	6,019	-
Net movement in funds	34,602	637	35,239
RECONCILIATION OF FUNDS			
Total funds brought forward	1,624,770	18,664	1,643,434

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2022

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS CARRIED FORWARD	<u>1,659,372</u>	<u>19,301</u>	<u>1,678,673</u>

9. INTANGIBLE FIXED ASSETS

	Website £
COST	
At 1 August 2021 and 31 July 2022	<u>4,425</u>
AMORTISATION	
At 1 August 2021 and 31 July 2022	<u>4,425</u>
NET BOOK VALUE	
At 31 July 2022	<u>-</u>
At 31 July 2021	<u>-</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 August 2021	1,130,000	49,516	26,222	2,364	1,208,102
Additions	-	606	-	-	606
	<u>1,130,000</u>	<u>50,122</u>	<u>26,222</u>	<u>2,364</u>	<u>1,208,708</u>
At 31 July 2022	1,130,000	50,122	26,222	2,364	1,208,708
DEPRECIATION					
At 1 August 2021	22,600	47,336	15,514	591	86,041
Charge for year	22,600	696	2,677	591	26,564
	<u>45,200</u>	<u>48,032</u>	<u>18,191</u>	<u>1,182</u>	<u>112,605</u>
At 31 July 2022	45,200	48,032	18,191	1,182	112,605
NET BOOK VALUE					
At 31 July 2022	<u>1,084,800</u>	<u>2,090</u>	<u>8,031</u>	<u>1,182</u>	<u>1,096,103</u>
At 31 July 2021	<u>1,107,400</u>	<u>2,180</u>	<u>10,708</u>	<u>1,773</u>	<u>1,122,061</u>

The properties were revalued by P L W Morgan FRICS MCIArb of Morgans Chartered Surveyors, 28 Sundridge Avenue, Bromley BR1 2PX on 8 July 2020. Currently the valuation of the property is represented by:

	£
Valuation surplus	841,463
Cost	<u>288,537</u>
Total	<u>1,130,000</u>

The Trustees believe that there has been no material market movement since then.

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2022

11. STOCKS

	2022 £	2021 £
Stocks	<u>280,560</u>	<u>277,037</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	10,103	10,260
Other debtors	-	45,000
VAT	2,349	2,149
Prepayments	6,040	8,265
	<u>18,492</u>	<u>65,674</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	10,223	4,240
Other creditors	20,702	18,394
	<u>30,925</u>	<u>22,634</u>

14. MOVEMENT IN FUNDS

	At 1.8.21 £	Net movement in funds £	Transfers between funds £	At 31.7.22 £
Unrestricted funds				
General fund	817,908	(18,069)	(7,946)	791,893
Revaluation reserve	841,464	-	-	841,464
	<u>1,659,372</u>	<u>(18,069)</u>	<u>(7,946)</u>	<u>1,633,357</u>
Restricted funds				
Gifts and Donations	19,301	(4,539)	-	14,762
Bibles and Prison	-	(7,946)	7,946	-
	<u>19,301</u>	<u>(12,485)</u>	<u>7,946</u>	<u>14,762</u>
TOTAL FUNDS	<u>1,678,673</u>	<u>(30,554)</u>	<u>-</u>	<u>1,648,119</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2022

14. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	188,171	(206,240)	(18,069)
Restricted funds			
Gifts and Donations	16,981	(21,520)	(4,539)
Bibles and Prison	427	(8,373)	(7,946)
	<u>17,408</u>	<u>(29,893)</u>	<u>(12,485)</u>
TOTAL FUNDS	<u>205,579</u>	<u>(236,133)</u>	<u>(30,554)</u>

Comparatives for movement in funds

	At 1.8.20 £	Net movement in funds £	Transfers between funds £	At 31.7.21 £
Unrestricted funds				
General fund	783,306	40,621	(6,019)	817,908
Revaluation reserve	841,464	-	-	841,464
	<u>1,624,770</u>	<u>40,621</u>	<u>(6,019)</u>	<u>1,659,372</u>
Restricted funds				
Gifts and Donations	18,664	637	-	19,301
Bibles and Prison	-	(6,019)	6,019	-
	<u>18,664</u>	<u>(5,382)</u>	<u>6,019</u>	<u>19,301</u>
TOTAL FUNDS	<u>1,643,434</u>	<u>35,239</u>	<u>-</u>	<u>1,678,673</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	221,319	(180,698)	40,621
Restricted funds			
Gifts and Donations	20,062	(19,425)	637
Bibles and Prison	2,438	(8,457)	(6,019)
	<u>22,500</u>	<u>(27,882)</u>	<u>(5,382)</u>
TOTAL FUNDS	<u>243,819</u>	<u>(208,580)</u>	<u>35,239</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2022

14. MOVEMENT IN FUNDS - continued

Both the Gifts and Donations fund and the Conference fund are restricted, but are supported, where necessary, by the unrestricted fund. Any shortfall or surplus in the Conference fund for the year is netted off to zero at the end of the year via a transfer from/to the unrestricted fund.

The expenditure relating to Bibles donated exceeded the donations received, and therefore a contribution was required from the general fund of £7,946 (2021: £6,019).

15. RELATED PARTY DISCLOSURES

The charity has received £400 (2021 - £400) from Christian Outreach to the Handicapped by way of a management charge, which is considered a related party transaction.

UK Foundation for Christian Service, a related party due to a common trustee, donated £930 (2021: £2,000) to Chapter Two. CMI AID, a related party due to a common trustee, was invoiced £774 (2021: £1,051) during the year for postage and delivery charges.

CHAPTER TWO

DETAILED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 July 2022

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Gifts	65,441	85,132
Legacies	4,700	45,000
	70,141	130,132
Charitable activities		
Sale of literature & related products	134,951	112,532
Management charges	400	400
	135,351	112,932
Investment income		
Deposit account interest	87	256
Other income		
Gain on sale of tangible fixed assets	-	499
Total incoming resources	205,579	243,819
 EXPENDITURE		
Charitable activities		
Opening stock	277,037	274,140
Purchases	103,626	71,243
Printing	8,804	8,228
Delivery, postage & wrapping	23,489	20,228
Donated books	8,373	8,457
Closing stock	(280,560)	(277,037)
Gifts & donations	21,520	16,245
	162,289	121,504
Support costs		
Finance		
Bank charges	3,353	2,946
Other		
Rates and water	5,949	5,435
Insurance	2,393	2,433
Light and heat	5,005	4,592
Telephone	3,102	4,311
Postage and stationery	3,579	2,477
Advertising	8,032	4,093
Travelling	513	87
Carried forward	28,573	23,428

This page does not form part of the statutory financial statements

CHAPTER TWO

DETAILED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 July 2022

	2022 £	2021 £
Other		
Brought forward	28,573	23,428
Motor expenses	2,841	3,361
Website & computer	3,461	3,049
Repairs & renewals	7,875	5,494
Cleaning & waste disposal	784	712
Sundries	2,207	1,670
Exchange rate movement	(10,223)	8,507
Amortisation of website	-	2,212
Depn of freehold property	22,600	22,600
Depn of fixtures & fittings	696	727
Depn of motor vehicles	2,677	3,570
Computer equipment	591	591
Leasing	1,109	1,014
	63,191	76,935
Governance costs		
Accountancy	2,800	2,820
Independent examination	4,500	4,375
	7,300	7,195
Total resources expended	236,133	208,580
Net (expenditure)/income	(30,554)	35,239

This page does not form part of the statutory financial statements

CHAPTER TWO

England & Wales - Charity number 1053047

Accounts

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021
FOR
CHAPTER TWO**

**Berringers LLP
Chartered Accountants
Lygon House
50 London Road
Bromley
Kent
BR1 3RA**

CHAPTER TWO

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CHAPTER TWO

REFERENCE AND ADMINISTRATIVE DETAILS for the year ended 31 July 2021

TRUSTEES

S Attwood
Mrs M E Cross
H A Clark
M D Grasso
A F Warnes

PRINCIPAL ADDRESS

Fountain House
Conduit Mews
London
SE18 7AP

**REGISTERED CHARITY
NUMBER**

1053047

INDEPENDENT EXAMINER

Berringers LLP
Chartered Accountants
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

CHAPTER TWO

REPORT OF THE TRUSTEES for the year ended 31 July 2021

The trustees present their report with the financial statements of the charity for the year ended 31 July 2021. The trustees have adopted the provisions of 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 present trustees, who all served throughout the year, are all listed on page 1.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal objective is the advancement of the Christian faith through the provision of literature, and by other means including preaching, conferences, and various forms of outreach.

The charity owns three freehold properties which are used to meet its objectives. The shop, situated at 199 Plumstead Common, is used to distribute literature to the general public. The main warehouse and distribution centre is situated in Fountain House, 3 Conduit Mews, and this property is also used as an administration centre. The property situated at 2 Plum Lane is used to give short term accommodation to volunteer workers from UK and overseas.

The shop and warehouse continue to distribute literature, both by sale and by gift. The provision of free literature to support Christian outreach and follow-up is funded by sales to the public and by donations received into the General Fund. To enable the provision of quality Christian literature, the Trust seeks continually to update its book catalogue and to raise its profile locally as well through more general advertising.

Public Benefit

The Trustees have had regard to Charity Commission guidance on public benefit and consider that the objectives, aims and achievements of the charity described in the report enable it to meet its duty to the Charity Commission as per Section 17 of the Charities Act 2011 and to the benefit of the public.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The general activities of the Trust continue to be self-financing, with donations and profits on sales of literature, financing literature distribution and administration.

During the year, the value of literature distributed worldwide has increased; the full range of activities, including the publication of new books and leaflets, has continued. Facilities at Fountain House for storage and despatch have been fully utilised. Literature and correspondence courses have continued to be sent to customers and other contacts in the UK and overseas, and in particular to UK prisons and detention centres.

Having said this, the year has been challenging for the trust because of the impact of the coronavirus pandemic and associated government restrictions. It was not possible to hold the annual Plumstead Bible Conference at Yarnfield Park Training and Conference Centre in April 2021. Given uncertainty about the likely relaxation of the restrictions and an expectation that numbers attending a conference in the near future would be significantly lower than normal, we arranged for Compass Contract Services (UK) Limited, which operates the centre, to return £9,308.66 rather than allocate it to the cost of a conference in 2022. We are currently negotiating to hold a conference at the centre in April 2023.

CHAPTER TWO

REPORT OF THE TRUSTEES for the year ended 31 July 2021

ACHIEVEMENT AND PERFORMANCE

Other effects of the pandemic and associated restrictions:

- Our shop on the street (199 Plumstead Common Road) was closed to June 2020 and from December to 12 April 2021.
- The annual UK Christian Resources Exhibition did not go ahead as planned in October 2020. This had a double-edged effect: we did incur the cost of a stand etc. but the substitute online promotion did not attract the sales or number of new contacts we expect at an in-personal event.
- The main volunteer who helps with publication work had to shield at home for a large part of the year, which limited our capacity in terms of preparing books for printing. We were able to continue the publication of our Truth & Testimony magazine and preparation of the Light for Life calendar for 2022.

We were able to achieve the following:

- Continue to serve customers who contact us by phone and email and on our website, as well as promote our 2021 calendar offerings and issue a full second-hand book catalogue in December 2020.
- Train a volunteer to use InDesign publishing software, which has increased our capacity to prepare and print leaflets and other publications in the future.
- Install a replacement and much improved shop sign for our shop on the street.
- Replace all our desktop computers at Fountain House.
- Service all our security shutters at Fountain House and motorise two of the larger ones to make their operation more reliable.
- Extend our gas supply contracts for Fountain House and shop on the street to 2026.
- Improve the shop and flat above by replacing the central heating boiler, installing an additional radiator in the shop and redecorating the rear part of the sales area.
- Dispose of our diesel van and replace our diesel car with a petrol vehicle ahead of the extension of the ULEZ in London (October 2021).

We believe these achievements have enabled us to maintain and improve our effectiveness and keep control of our running costs going forward.

FINANCIAL REVIEW

Reserves policy

The level of reserves is continually under review to ensure that adequate reserves are always available. The total reserves at 31 July 2021 stood at £1,678,673 (2020 - £1,643,434). This is to ensure that the Charity can meet its objectives and the Trustees are satisfied that the Charity has sufficient funds to fulfil its obligations.

The trustees have determined financial policies as set out below:

- the distribution of free literature, as well as other resources within the charity, continues to follow the principle laid down in 1 Peter 4:10 - 'As every man hath received the gift, even so minister the same one to another, as good stewards of the manifold grace of God.'
- cash resources not required for current needs are placed on bank deposit accounts prior to their being used to fund the Charity's activities.
- the charity is funded by both restricted and unrestricted funds.
- unrestricted funds are allocated to the general operations and activities. Donations are allocated to unrestricted funds unless specified otherwise by the donor. Assets representing unrestricted funds are managed by the General Manager and his staff.
- unrestricted funds (excluding designated funds) are to be maintained at a level sufficient to fund the stocks held for sale or distribution and to meet the costs of provision of further literature and governance costs for at least six months.

After meeting all the running costs of the charity, the final surplus from unrestricted activities, was £34,602 (2020 - £287,006). The previous year's income included an unrealised gain on the revaluation of the properties of £279,000. Within the total figure for 2021, sales of literature showed an increase in turnover in comparison with the previous year and produced a higher surplus of £15,730 (2020 - £6,031).

The general fund at 31 July 2021 stood at £1,659,372 as compared with the balance at 31 July 2020 of £1,624,770.

CHAPTER TWO

REPORT OF THE TRUSTEES for the year ended 31 July 2021

FUTURE PLANS

The Trustees are reliant on God's provision and help in fulfilling the purposes of the Trust and are thankful to record His goodness in sustaining them and the charity in his service. Continuing this dependence, the Trustees intend to continue the same activities for the forthcoming year to further the main objectives of the Trust.

The Trust has plans for future publishing projects and the promotion of the Christian faith. Additional funds are needed to achieve these plans, but there are adequate reserves available to meet existing on-going needs. It will also continue to maintain and improve its buildings and other facilities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity. Chapter Two is a trust governed by a constitution set out in November 1976 and revised in January 1995.

In the event of the charity being wound up, no liability in respect of the charity will vest in the members of the charity.

Recruitment and appointment of new trustees

New trustees are appointed as and when required by the board of trustees.

Organisational structure

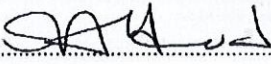
The trustees have delegated day to day management of the charity to the General Manager Mr S Attwood. The General Manager organises the teams of volunteers involved in the distribution of literature from the shop and the warehouse.

No salaries are drawn by the staff, all of whom are unpaid volunteers.

Related parties

Mrs M Cross is also a trustee of the charity "Christian Outreach to the Handicapped". In addition Chapter Two continues to provide support services and consequently considers itself to be a connected party. Mr S Attwood is a trustee of UK Foundation for Christian Service, a charity which makes donations to Chapter Two from time to time.

Approved by order of the board of trustees on 13/12/21..... and signed on its behalf by:



S Attwood - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CHAPTER TWO

Independent examiner's report to the trustees of Chapter Two

I report to the charity trustees on my examination of the accounts of Chapter Two (the Trust) for the year ended 31 July 2021.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



Paul Allan BSocSC FCA
Berringers LLP
Chartered Accountants
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

Date: 13/12/21

CHAPTER TWO

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 July 2021

		Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	107,632	22,501	130,133	111,177
Charitable activities	3	112,932	-	112,932	95,644
Investment income	4	256	-	256	1,794
Other income		499	-	499	-
Total		221,319	22,501	243,820	208,615
EXPENDITURE ON					
Charitable activities	5				
Costs of charitable activities		96,802	-	96,802	89,213
Gifts & donations		-	16,245	16,245	9,030
Support costs		83,896	3,180	87,076	78,774
Conference		-	-	-	4,654
Donated books		6,019	2,439	8,458	10,604
Total		186,717	21,864	208,581	192,275
NET INCOME		34,602	637	35,239	16,340
Other recognised gains/(losses)					
Gains on revaluation of fixed assets		-	-	-	279,000
Net movement in funds		34,602	637	35,239	295,340
RECONCILIATION OF FUNDS					
Total funds brought forward		1,624,770	18,664	1,643,434	1,348,094
TOTAL FUNDS CARRIED FORWARD		1,659,372	19,301	1,678,673	1,643,434

The notes form part of these financial statements

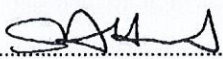
CHAPTER TWO

BALANCE SHEET

31 July 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Intangible assets	9	-	-	-	2,212
Tangible assets	10	<u>1,122,061</u>	<u>-</u>	<u>1,122,061</u>	<u>1,137,422</u>
		1,122,061	-	1,122,061	1,139,634
CURRENT ASSETS					
Stocks	11	<u>277,037</u>	<u>-</u>	<u>277,037</u>	<u>274,140</u>
Debtors	12	<u>65,674</u>	<u>-</u>	<u>65,674</u>	<u>30,838</u>
Cash at bank and in hand		<u>203,839</u>	<u>32,696</u>	<u>236,535</u>	<u>229,666</u>
		546,550	32,696	579,246	534,644
CREDITORS					
Amounts falling due within one year	13	<u>(9,239)</u>	<u>(13,395)</u>	<u>(22,634)</u>	<u>(30,844)</u>
NET CURRENT ASSETS		<u>537,311</u>	<u>19,301</u>	<u>556,612</u>	<u>503,800</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,659,372</u>	<u>19,301</u>	<u>1,678,673</u>	<u>1,643,434</u>
NET ASSETS		<u>1,659,372</u>	<u>19,301</u>	<u>1,678,673</u>	<u>1,643,434</u>
FUNDS	14				
Unrestricted funds				<u>1,659,372</u>	<u>1,624,770</u>
Restricted funds				<u>19,301</u>	<u>18,664</u>
TOTAL FUNDS				<u>1,678,673</u>	<u>1,643,434</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 13/12/21 and were signed on its behalf by:



 S Attwood - Trustee

The notes form part of these financial statements

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations, legacies and gifts are recognised when received or when the charity becomes legally entitled to them, having been notified in writing of both the amount and settlement date. Donations are allocated specifically at the request of the donor, or to the general fund. For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% straight line
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets were capitalised at cost including any incidental expenses of acquisition or in cases where they have been donated the value at the time the donated asset is received. The freehold land and buildings have been subsequently recorded at valuation as at 8 July 2020.. The Trustees believe that there has been no material market movement since then.

Stocks

Stocks are valued at the lower of cost or net realisable value after making due allowance for any obsolete or slow moving items. A provision based on the current level of stocks given away during the current year is made to reduce the carrying value of stocks in respect of stocks to be given away during the forthcoming year.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2021

1. ACCOUNTING POLICIES - continued

Fund accounting

The three restricted funds include;

- 1) General gifts and donations that are used as specified by the donor.
- 2) Gifts of Bibles for Prisons
- 3) The conference, held in Yarnfield Park Training and Conference Centre.

The conference surplus/deficit is netted off to the general fund, and the balance of the gifts and donations are carried forward. Gifts for Bibles for Prisons, if in deficit, will be supported by the general fund.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Gifts	85,133	101,177
Legacies	45,000	10,000
	<u>130,133</u>	<u>111,177</u>

3. CHARITABLE ACTIVITIES

	2021	2020
	£	£
Sale of literature & related products	112,532	95,244
Management charges	400	400
	<u>112,932</u>	<u>95,644</u>

The sale of Christian literature is considered by the Trustees to be trade pursuant to the charity's objects.

4. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	<u>256</u>	<u>1,794</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2021

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Costs of charitable activities	96,802	-	96,802
Gifts & donations	16,245	-	16,245
Support costs	-	87,076	87,076
Donated books	8,458	-	8,458
	<u>121,505</u>	<u>87,076</u>	<u>208,581</u>

6. SUPPORT COSTS

	Finance £	Other £	Governance costs £	Totals £
Support costs	<u>2,946</u>	<u>76,935</u>	<u>7,195</u>	<u>87,076</u>

Support costs, included in the above, are as follows:

Other

	2021 Support costs £	2020 Total activities £
Rates and water	5,435	4,986
Insurance	2,433	2,125
Light and heat	4,592	4,649
Telephone	4,311	5,285
Postage and stationery	2,477	3,881
Advertising	4,093	7,223
Travelling	87	2,229
Motor expenses	3,361	4,592
Website & computer	3,049	2,889
Repairs & renewals	5,494	12,338
Cleaning & waste disposal	712	423
Sundries	1,670	2,694
Exchange rate movement	8,507	6,866
Amortisation of intangible fixed assets	2,212	2,213
Depreciation of tangible fixed assets	27,488	2,474
Leasing	1,014	1,014
	<u>76,935</u>	<u>65,881</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2021

6. SUPPORT COSTS - continued

Governance costs

	2021 Support costs £	2020 Total activities £
Legal & professional fees	-	1,200
Accountancy	2,820	3,740
Independent examination	4,375	4,300
	<u>7,195</u>	<u>9,240</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

Expenses during the year paid on behalf of a trustee amounted in total to £67 (2020 - £415) for travel costs on behalf of Chapter Two.

Trustees' expenses

Included within restricted funds are those donations of £4,659 (2020 - £3,684) that were received by Chapter Two and distributed to specific Trustees as per the donors instructions.

In the year accommodation was provided for a few days a week in one of the properties owned by the charity to one trustee to enable him to more effectively fulfil his duties as a trustee in furthering the sale and distribution of Christian literature. The trustee lives at such a distance from the charity that daily commuting would be both costly to the charity and impractical.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	77,227	33,950	111,177
Charitable activities	95,644	-	95,644
Investment income	1,794	-	1,794
	<u>174,665</u>	<u>33,950</u>	<u>208,615</u>
Total			
	174,665	33,950	208,615
EXPENDITURE ON			
Charitable activities			
Costs of charitable activities	89,213	-	89,213
Gifts & donations	-	9,030	9,030
Support costs	67,024	11,750	78,774
Conference	-	4,654	4,654
Donated books	9,976	628	10,604
	<u>166,213</u>	<u>26,062</u>	<u>192,275</u>
Total			
	166,213	26,062	192,275
NET INCOME	8,452	7,888	16,340
Transfers between funds	(447)	447	-

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2021

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Other recognised gains/(losses)			
Gains on revaluation of fixed assets	279,000	-	279,000
Net movement in funds	287,005	8,335	295,340
RECONCILIATION OF FUNDS			
Total funds brought forward	1,337,765	10,329	1,348,094
TOTAL FUNDS CARRIED FORWARD	<u>1,624,770</u>	<u>18,664</u>	<u>1,643,434</u>

9. INTANGIBLE FIXED ASSETS

	Website £
COST	
At 1 August 2020 and 31 July 2021	<u>4,425</u>
AMORTISATION	
At 1 August 2020	2,213
Charge for year	<u>2,212</u>
At 31 July 2021	<u>4,425</u>
NET BOOK VALUE	
At 31 July 2021	-
At 31 July 2020	<u>2,212</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2021

10. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 August 2020	1,130,000	49,516	38,802	-	1,218,318
Additions	-	-	10,594	2,364	12,958
Disposals	-	-	(23,174)	-	(23,174)
At 31 July 2021	<u>1,130,000</u>	<u>49,516</u>	<u>26,222</u>	<u>2,364</u>	<u>1,208,102</u>
DEPRECIATION					
At 1 August 2020	-	46,609	34,287	-	80,896
Charge for year	22,600	727	3,570	591	27,488
Eliminated on disposal	-	-	(22,343)	-	(22,343)
At 31 July 2021	<u>22,600</u>	<u>47,336</u>	<u>15,514</u>	<u>591</u>	<u>86,041</u>
NET BOOK VALUE					
At 31 July 2021	<u>1,107,400</u>	<u>2,180</u>	<u>10,708</u>	<u>1,773</u>	<u>1,122,061</u>
At 31 July 2020	<u>1,130,000</u>	<u>2,907</u>	<u>4,515</u>	<u>-</u>	<u>1,137,422</u>

The properties were revalued by P L W Morgan FRICS MCI Arb of Morgans Chartered Surveyors, 28 Sundridge Avenue, Bromley BR1 2PX on 8 July 2020. Currently the valuation of the property is represented by:

	£
Valuation 2020	841,463
Cost	<u>288,537</u>
Total	<u>1,130,000</u>

The Trustees believe that there has been no material market movement since then.

11. STOCKS

	2021 £	2020 £
Stocks	<u>277,037</u>	<u>274,140</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2021

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	10,260	9,439
Other debtors	45,000	-
VAT	2,149	2,198
Prepayments	8,265	19,201
	<u>65,674</u>	<u>30,838</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	4,240	11,415
Other creditors	18,394	19,429
	<u>22,634</u>	<u>30,844</u>

14. MOVEMENT IN FUNDS

	At 1.8.20	Net movement in funds	At
	£	£	31.7.21 £
Unrestricted funds			
General fund	783,306	34,602	817,908
Revaluation reserve	841,464	-	841,464
	<u>1,624,770</u>	<u>34,602</u>	<u>1,659,372</u>
Restricted funds			
Gifts and Donations	18,664	637	19,301
	<u>1,643,434</u>	<u>35,239</u>	<u>1,678,673</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	221,319	(186,717)	34,602
Restricted funds			
Gifts and Donations	20,062	(19,425)	637
Bibles and Prison	2,439	(2,439)	-
	<u>22,501</u>	<u>(21,864)</u>	<u>637</u>
TOTAL FUNDS	<u>243,820</u>	<u>(208,581)</u>	<u>35,239</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2021

14. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.8.19 £	Net movement in funds £	Transfers between funds £	At 31.7.20 £
Unrestricted funds				
General fund	752,214	31,539	(447)	783,306
Revaluation reserve	585,551	255,913	-	841,464
	<u>1,337,765</u>	<u>287,452</u>	<u>(447)</u>	<u>1,624,770</u>
Restricted funds				
Gifts and Donations	10,329	8,335	-	18,664
Conference	-	(447)	447	-
	<u>10,329</u>	<u>7,888</u>	<u>447</u>	<u>18,664</u>
TOTAL FUNDS	<u>1,348,094</u>	<u>295,340</u>	<u>-</u>	<u>1,643,434</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	174,665	(166,213)	23,087	31,539
Revaluation reserve	-	-	255,913	255,913
	<u>174,665</u>	<u>(166,213)</u>	<u>279,000</u>	<u>287,452</u>
Restricted funds				
Gifts and Donations	29,115	(20,780)	-	8,335
Conference	4,207	(4,654)	-	(447)
Bibles and Prison	628	(628)	-	-
	<u>33,950</u>	<u>(26,062)</u>	<u>-</u>	<u>7,888</u>
TOTAL FUNDS	<u>208,615</u>	<u>(192,275)</u>	<u>279,000</u>	<u>295,340</u>

Both the Gifts and Donations fund and the Conference fund are restricted, but are supported, where necessary, by the unrestricted fund. Any shortfall or surplus in the Conference fund for the year is netted off to zero at the end of the year via a transfer from/to the unrestricted fund.

The expenditure relating to Bibles donated exceeded the donations received, and therefore a contribution was required from the general fund of £6,019 (2020: £9,976). This is included in the unrestricted charitable activities cost.

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2021

15. RELATED PARTY DISCLOSURES

The charity has received £400 (2020 - £400) from Christian Outreach to the Handicapped by way of a management charge, which is considered a related party transaction.

UK Foundation for Christian Service, a related party due to a common trustee, donated £2,000 (2020: £5,576) to Chapter Two. CMI AID, a related party due to a common trustee, was invoiced £1,051 (2020: £312) during the year for postage and delivery charges. At the year end there was a balance of £nil (2020: £26) outstanding.

16. CONTINGENT ASSET

As at 31 July 2021, the charity had been notified of one residuary legacy, the value of which is uncertain. An interim payment of £45,000 was received after the balance sheet date, and this receipt has been provided for as accrued income in the financial statements. A previous interim payment of £10,000 was received in the year ended 31st July 2020. No further information has been received and so any further payments relating to this legacy have not been provided for.

CHAPTER TWO

DETAILED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 July 2021

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Gifts	85,133	101,177
Legacies	45,000	10,000
	<u>130,133</u>	<u>111,177</u>
Charitable activities		
Sale of literature & related products	112,532	95,244
Management charges	400	400
	<u>112,932</u>	<u>95,644</u>
Investment income		
Deposit account interest	256	1,794
Other income		
Gain on sale of tangible fixed assets	499	-
	<u>243,820</u>	<u>208,615</u>
Total incoming resources		
	<u>243,820</u>	<u>208,615</u>
EXPENDITURE		
Charitable activities		
Opening stock	274,140	265,783
Purchases	71,243	70,412
Printing	8,228	11,927
Delivery, postage & wrapping	20,228	15,231
Donated books	8,458	10,604
Closing stock	(277,037)	(274,140)
Gifts & donations	16,245	9,030
Conference	-	4,654
	<u>121,505</u>	<u>113,501</u>
Support costs		
Finance		
Bank charges	2,946	3,653
Other		
Rates and water	5,435	4,986
Insurance	2,433	2,125
Light and heat	4,592	4,649
Telephone	4,311	5,285
Postage and stationery	2,477	3,881
Advertising	4,093	7,223
Carried forward	23,341	28,149

This page does not form part of the statutory financial statements

CHAPTER TWO

DETAILED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 July 2021

	2021 £	2020 £
Other		
Brought forward	23,341	28,149
Travelling	87	2,229
Motor expenses	3,361	4,592
Website & computer	3,049	2,889
Repairs & renewals	5,494	12,338
Cleaning & waste disposal	712	423
Sundries	1,670	2,694
Exchange rate movement	8,507	6,866
Amortisation of website	2,212	2,213
Depn of freehold property	22,600	-
Depn of fixtures & fittings	727	970
Depn of motor vehicles	3,570	1,504
Computer equipment	591	-
Leasing	1,014	1,014
	76,935	65,881
Governance costs		
Legal & professional fees	-	1,200
Accountancy	2,820	3,740
Independent examination	4,375	4,300
	7,195	9,240
Total resources expended	208,581	192,275
Net income	35,239	16,340

This page does not form part of the statutory financial statements

CHAPTER TWO

England & Wales - Charity number 1053047

Accounts

REGISTERED CHARITY NUMBER: 1053047

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020
FOR
CHAPTER TWO**

Berringers LLP
Chartered Accountants
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

CHAPTER TWO

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CHAPTER TWO

REFERENCE AND ADMINISTRATIVE DETAILS for the year ended 31 July 2020

TRUSTEES	S Attwood Mrs M E Cross H A Clark M D Grasso A F Warnes (appointed 1.8.19)
PRINCIPAL ADDRESS	Fountain House Conduit Mews London SE18 7AP
REGISTERED CHARITY NUMBER	1053047
INDEPENDENT EXAMINER	Berringers LLP Chartered Accountants Lygon House 50 London Road Bromley Kent BR1 3RA

CHAPTER TWO

REPORT OF THE TRUSTEES for the year ended 31 July 2020

The trustees present their report with the financial statements of the charity for the year ended 31 July 2020. The trustees have adopted the provisions of 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 present trustees are listed on page 1.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal objective is the advancement of the Christian faith through the provision of literature, and by other means including preaching, conferences, and various forms of outreach.

The charity owns three freehold properties which are used to meet its objectives. The shop, situated at 199 Plumstead Common, is used to distribute literature to the general public. The main warehouse and distribution centre is situated in Fountain House, 3 Conduit Mews, and this property is also used as an administration centre. The property situated at 2 Plum Lane is used to give short term accommodation to volunteer workers from UK and overseas.

The shop and warehouse continue to distribute literature, both by sale and by gift. The provision of free literature to support Christian outreach and follow-up is funded by sales to the public and by donations received into the General Fund. To enable the provision of quality Christian literature, the Trust seeks continually to update its book catalogue and to raise its profile locally as well through more general advertising.

Public Benefit

The Trustees have had regard to Charity Commission guidance on public benefit and consider that the objectives, aims and achievements of the charity described in the report enable it to meet its duty to the Charity Commission as per Section 17 of the Charities Act 2011 and to the benefit of the public.

CHAPTER TWO

REPORT OF THE TRUSTEES for the year ended 31 July 2020

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The general activities of the Trust continue to be self-financing, with donations and profits on sales of literature, financing literature distribution and administration.

During the year, the value of literature distributed worldwide has decreased (see below), but the full range of activities, including the publication of new books and leaflets, has continued. Facilities at Fountain House for storage and despatch have been fully utilised. Literature and correspondence courses have continued to be sent to customers and other contacts in the UK and overseas, and in particular to UK prisons and detention centres. The Trust exhibited at the annual Christian Resources Exhibition, which was held at Sandown Racecourse, Esher in October 2019.

It was not possible to hold the annual Plumstead Bible Conference at Yarnfield Park Training and Conference Centre in April 2020 as planned due to coronavirus restrictions. Following negotiations with Compass Contract Services (UK) Limited, which operates the centre, £9,309 of the advance deposit of £13,963 paid in January 2020 was allocated to the cost of a conference in April 2021. This is no longer viable given continuing coronavirus restrictions, and it is not yet clear whether social distancing requirements will affect the venue's capacity for 2022. Therefore, the trust will seek to recover £9,309 of the amount paid as advance deposit for 2020, and consider holding a conference at Yarnfield in 2023. See below for further information about the impact of the coronavirus on the charity's operations and finances.

Outreach during the year included a visit to Saratov, Russia, and Aars, Denmark in October and November 2019 respectively, both of which involved teaching the Christian faith and pastoral care. Where possible the Trust has continued to support various activities and conferences in the UK although these have reduced in number or become online events since the onset of the coronavirus pandemic in March/April 2020.

During the year, the Trust continued to undertake repair works to its buildings, primarily 2 Plum Lane and the shop and flat at 199 Plumstead Common Road. It also concluded its implementations of its new website and voice over internet phone (VOIP) system. It also continued to work on improving its online profile, and completely refreshed its Facebook page.

The Trust revalued its three properties on 8 July 2020.

The Trust hosted a thanksgiving meal for its authors, workers and supporters on 26 October 2019.

Impact of the coronavirus pandemic from March 2020:

- * While it has been able to offer an unbroken service to customers and other users who access its services by phone, email and the internet it had to close its shop at 199 Plumstead Common Road from the beginning of April. It reopened this from 14 June 2020 when the government limited its lockdown restrictions on smaller shops. Sales activity reduced in the early months of the pandemic but has increased more latterly.
- * It has followed government guidance in introducing social distancing, and the provision of sanitiser and masks for customers and other visitors to its shop and at its offices and warehouse.
- * When resources have allowed it has offered a click and collect service to customers.
- * As reported above it has not been able to engage in conferences and other public events.
- * The need for some volunteers to shield at home has slowed down publication work.

CHAPTER TWO

REPORT OF THE TRUSTEES for the year ended 31 July 2020

FINANCIAL REVIEW

Reserves policy

The level of reserves is continually under review to ensure that adequate reserves are always available. The total reserves at 31 July 2020 stood at £1,643,435 (2019 - £1,348,094). This is to ensure that the Charity can meet its objectives and the Trustees are satisfied that the Charity has sufficient funds to fulfil its obligations.

The trustees have determined financial policies as set out below:

- * the distribution of free literature, as well as other resources within the charity, continues to follow the principle laid down in 1 Peter 4:10 - 'As every man hath received the gift, even so minister the same one to another, as good stewards of the manifold grace of God.'
- * cash resources not required for current needs are placed on bank deposit accounts prior to their being used to fund the Charity's activities.
- * the charity is funded by both restricted and unrestricted funds.
- * unrestricted funds are allocated to the general operations and activities. Donations are allocated to unrestricted funds unless specified otherwise by the donor. Assets representing unrestricted funds are managed by the General Manager and his staff.
- * unrestricted funds (excluding designated funds) are to be maintained at a level sufficient to fund the stocks held for sale or distribution and to meet the costs of provision of further literature and governance costs for at least six months.

After meeting all the running costs of the charity, the final surplus from unrestricted activities, after allowing for a transfer between funds of £447, was £287,006 (2019 - £1,599). The current year's income includes an unrealised gain on the revaluation of the properties of £279,000 (2019 - nil). Within that total figure, sales of literature showed a decrease in turnover in comparison with the previous year and produced a slightly lower surplus of £6,031 (2019 - £9,864).

The general fund at 31 July 2020 stood at £1,624,771 as compared with the balance at 31 July 2019 of £1,337,765.

FUTURE PLANS

The Trustees are reliant on God's provision and help in fulfilling the purposes of the Trust and are thankful to record His goodness in sustaining them and the charity in his service. Continuing this dependence, the Trustees intend to continue the same activities for the forthcoming year to further the main objectives of the Trust.

The Trust has plans for future publishing projects and the promotion of the Christian faith. Additional funds are needed to achieve these plans, but there are adequate reserves available to meet existing on-going needs. It will also continue to maintain and improve its buildings and other facilities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Chapter Two is a trust governed by a constitution set out in November 1976 and revised in January 1995.

In the event of the charity being wound up, no liability in respect of the charity will vest in the members of the charity.

Recruitment and appointment of new trustees

New trustees are appointed as and when required by the board of trustees.

Organisational structure

The trustees have delegated day to day management of the charity to the General Manager Mr S Attwood.

The General Manager organises the teams of volunteers involved in the distribution of literature from the shop and the warehouse. No salaries are drawn by the staff, all of whom are unpaid volunteers.

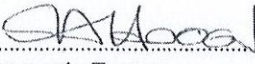
Related parties

Mrs M Cross is also a trustee of the charity "Christian Outreach to the Handicapped". In addition Chapter Two continues to provide support services and consequently considers itself to be a connected party. Mr S Attwood is a trustee of UK Foundation for Christian Service, a charity which makes donations to Chapter Two from time to time.

CHAPTER TWO

REPORT OF THE TRUSTEES for the year ended 31 July 2020

Approved by order of the board of trustees on 22/3/21..... and signed on its behalf by:


.....
S Attwood - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CHAPTER TWO

Independent examiner's report to the trustees of Chapter Two

I report to the charity trustees on my examination of the accounts of Chapter Two (the Trust) for the year ended 31 July 2020.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



Paul Allan BSocSC FCA
Berringers LLP
Chartered Accountants
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

Date: 22/3/21

CHAPTER TWO

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 July 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	77,228	33,950	111,178	128,199
Charitable activities	3	95,644	-	95,644	135,604
Investment income	4	1,794	-	1,794	1,523
Total		174,666	33,950	208,616	265,326
EXPENDITURE ON					
Charitable activities	5				
Costs of charitable activities		89,213	-	89,213	125,340
Gifts & donations		-	9,030	9,030	10,395
Support costs		67,024	11,750	78,774	71,903
Conference		-	4,654	4,654	42,033
Donated books		9,976	628	10,604	13,105
Total		166,213	26,062	192,275	262,776
NET INCOME		8,453	7,888	16,341	2,550
Transfers between funds	14	(447)	447	-	-
Other recognised gains/(losses)					
Gains on revaluation of fixed assets		279,000	-	279,000	-
Net movement in funds		287,006	8,335	295,341	2,550
RECONCILIATION OF FUNDS					
Total funds brought forward		1,337,765	10,329	1,348,094	1,345,544
TOTAL FUNDS CARRIED FORWARD		1,624,771	18,664	1,643,435	1,348,094

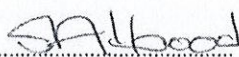
The notes form part of these financial statements

CHAPTER TWO

BALANCE SHEET 31 July 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Intangible assets	9	2,212	-	2,212	-
Tangible assets	10	1,137,422	-	1,137,422	860,896
		<u>1,139,634</u>	<u>-</u>	<u>1,139,634</u>	<u>860,896</u>
CURRENT ASSETS					
Stocks	11	274,140	-	274,140	265,783
Debtors	12	21,529	9,309	30,838	20,570
Cash at bank and in hand		207,037	22,630	229,667	221,271
		<u>502,706</u>	<u>31,939</u>	<u>534,645</u>	<u>507,624</u>
CREDITORS					
Amounts falling due within one year	13	(17,569)	(13,275)	(30,844)	(20,426)
		<u>485,137</u>	<u>18,664</u>	<u>503,801</u>	<u>487,198</u>
NET CURRENT ASSETS					
		<u>485,137</u>	<u>18,664</u>	<u>503,801</u>	<u>487,198</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>1,624,771</u>	<u>18,664</u>	<u>1,643,435</u>	<u>1,348,094</u>
NET ASSETS					
		<u>1,624,771</u>	<u>18,664</u>	<u>1,643,435</u>	<u>1,348,094</u>
FUNDS					
Unrestricted funds	14			1,624,771	1,337,765
Restricted funds				18,664	10,329
TOTAL FUNDS				<u>1,643,435</u>	<u>1,348,094</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 22/3/21 and were signed on its behalf by:


S Altwood - Trustee

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Intangible assets

Intangible assets are the website development costs and are amortised over 2 years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 10% - 20% on cost
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets were capitalised at cost including any incidental expenses of acquisition or in cases where they have been donated the value at the time the donated asset is received. The freehold land and buildings have been subsequently recorded at valuation as at 8 July 2020. The Trustees believe that there has been no material market movement since then.

Stocks

Stocks are valued at the lower of cost or net realisable value after making due allowance for any obsolete or slow moving items. A provision based on the current level of stocks given away during the current year is made to reduce the carrying value of stocks in respect of stocks to be given away during the forthcoming year.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The three restricted funds include;

- 1) General gifts and donations that are used as specified by the donor.
- 2) Gifts of Bibles for Prisons
- 3) The conference, held in Yarnfield Park Training and Conference Centre.

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2020

1. ACCOUNTING POLICIES - continued

Fund accounting

The conference surplus/deficit is netted off to the general fund, and the balance of the gifts and donations are carried forward. Gifts for Bibles for Prisons, if in deficit, will be supported by the general fund.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Gifts	101,178	128,199
Legacies	10,000	-
	<u>111,178</u>	<u>128,199</u>

3. CHARITABLE ACTIVITIES

	2020	2019
	£	£
Sale of literature & related products	95,244	135,204
Management charges	400	400
	<u>95,644</u>	<u>135,604</u>

The sale of Christian literature is considered by the Trustees to be trade pursuant to the charity's objects.

4. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	<u>1,794</u>	<u>1,523</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Costs of charitable activities	89,213	-	89,213
Gifts & donations	9,030	-	9,030
Support costs	-	78,774	78,774
Conference	4,654	-	4,654
Donated books	10,604	-	10,604
	<u>113,501</u>	<u>78,774</u>	<u>192,275</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2020

6. SUPPORT COSTS

	Finance	Other	Governance costs	Totals
	£	£	£	£
Support costs	<u>3,653</u>	<u>65,881</u>	<u>9,240</u>	<u>78,774</u>

Support costs, included in the above, are as follows:

Other

	2020 Support costs £	2019 Total activities £
Rates and water	4,986	5,483
Insurance	2,125	2,172
Light and heat	4,649	4,935
Telephone	5,285	3,386
Postage and stationery	3,881	3,020
Advertising	7,223	6,395
Travelling	2,229	4,691
Motor expenses	4,592	4,313
Website & computer	2,889	3,152
Repairs & renewals	12,338	2,340
Cleaning & waste disposal	423	600
Sundries	2,694	1,532
Exchange rate movement	6,866	(7,315)
Bad debts	-	3,299
Amortisation of intangible fixed assets	2,213	-
Depreciation of tangible fixed assets	2,474	21,798
Leasing	1,014	870
	<u>65,881</u>	<u>60,671</u>

Governance costs

	2020 Support costs £	2019 Total activities £
Legal & professional fees	1,200	-
Accountancy	3,740	2,700
Independent examination	4,300	4,300
	<u>9,240</u>	<u>7,000</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2020

7. TRUSTEES' REMUNERATION AND BENEFITS

Expenses during the year paid on behalf of a trustee amounted in total to £415 - (2019 - £2,031) for travel costs on behalf of Chapter Two.

Trustees' expenses

Included within restricted funds are those donations of £3,684 - (2019 - £1,767) that were received by Chapter Two and distributed to specific Trustees as per the donors instructions.

In the year accommodation was provided for a few days a week in one of the properties owned by the charity to one trustee to enable him to more effectively fulfil his duties as a trustee in furthering the sale and distribution of Christian literature. The trustee lives at such a distance from the charity that daily commuting would be both costly to the charity and impractical.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	73,383	54,816	128,199
Charitable activities	135,604	-	135,604
Investment income	1,523	-	1,523
Total	210,510	54,816	265,326
EXPENDITURE ON			
Charitable activities			
Costs of charitable activities	125,340	-	125,340
Gifts & donations	-	10,395	10,395
Support costs	71,903	-	71,903
Conference	-	42,033	42,033
Donated books	11,874	1,231	13,105
Total	209,117	53,659	262,776
NET INCOME	1,393	1,157	2,550
Transfers between funds	(1,599)	1,599	-
Net movement in funds	(206)	2,756	2,550
RECONCILIATION OF FUNDS			
Total funds brought forward	1,337,971	7,573	1,345,544
TOTAL FUNDS CARRIED FORWARD	1,337,765	10,329	1,348,094

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2020

9. INTANGIBLE FIXED ASSETS

	Website £
COST	
Additions	<u>4,425</u>
AMORTISATION	
Charge for year	<u>2,213</u>
NET BOOK VALUE	
At 31 July 2020	<u><u>2,212</u></u>
At 31 July 2019	<u><u>-</u></u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 August 2019	925,000	49,516	38,802	1,013,318
Revaluations	<u>205,000</u>	<u>-</u>	<u>-</u>	<u>205,000</u>
At 31 July 2020	<u>1,130,000</u>	<u>49,516</u>	<u>38,802</u>	<u>1,218,318</u>
DEPRECIATION				
At 1 August 2019	74,000	45,639	32,783	152,422
Charge for year	-	970	1,504	2,474
Revaluation adjustments	<u>(74,000)</u>	<u>-</u>	<u>-</u>	<u>(74,000)</u>
At 31 July 2020	<u>-</u>	<u>46,609</u>	<u>34,287</u>	<u>80,896</u>
NET BOOK VALUE				
At 31 July 2020	<u><u>1,130,000</u></u>	<u><u>2,907</u></u>	<u><u>4,515</u></u>	<u><u>1,137,422</u></u>
At 31 July 2019	<u><u>851,000</u></u>	<u><u>3,877</u></u>	<u><u>6,019</u></u>	<u><u>860,896</u></u>

The properties were revalued by P L W Morgan FRICS MCI Arb of Morgans Chartered Surveyors, 28 Sundridge Avenue, Bromley BR1 2PX on 8 July 2020. Currently the valuation of the property is represented by:

	£
Valuation 2020	841,463
Cost	<u>288,537</u>
Total	<u><u>1,130,000</u></u>

The Trustees believe that there has been no material market movement since then.

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2020

11. STOCKS

	2020	2019
	£	£
Stocks	274,140	265,783

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	9,439	10,525
VAT	2,198	2,572
Prepayments	19,201	7,473
	<u>30,838</u>	<u>20,570</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	11,415	12,947
Other creditors	19,429	7,479
	<u>30,844</u>	<u>20,426</u>

14. MOVEMENT IN FUNDS

	At 1.8.19 £	Net movement in funds £	Transfers between funds £	At 31.7.20 £
Unrestricted funds				
General fund	752,214	31,540	(447)	783,307
Revaluation reserve	585,551	255,913	-	841,464
	<u>1,337,765</u>	<u>287,453</u>	<u>(447)</u>	<u>1,624,771</u>
Restricted funds				
Gifts and Donations	10,329	8,335	-	18,664
Conference	-	(447)	447	-
	<u>10,329</u>	<u>7,888</u>	<u>447</u>	<u>18,664</u>
TOTAL FUNDS	<u>1,348,094</u>	<u>295,341</u>	<u>-</u>	<u>1,643,435</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2020

14. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	174,666	(166,213)	23,087	31,540
Revaluation reserve	-	-	255,913	255,913
	<u>174,666</u>	<u>(166,213)</u>	<u>279,000</u>	<u>287,453</u>
Restricted funds				
Gifts and Donations	29,115	(20,780)	-	8,335
Conference	4,207	(4,654)	-	(447)
Bibles and Prison	628	(628)	-	-
	<u>33,950</u>	<u>(26,062)</u>	<u>-</u>	<u>7,888</u>
TOTAL FUNDS	<u>208,616</u>	<u>(192,275)</u>	<u>279,000</u>	<u>295,341</u>

Comparatives for movement in funds

	At 1.8.18 £	Net movement in funds £	Transfers between funds £	At 31.7.19 £
Unrestricted funds				
General fund	739,692	14,121	(1,599)	752,214
Revaluation reserve	598,279	(12,728)	-	585,551
	<u>1,337,971</u>	<u>1,393</u>	<u>(1,599)</u>	<u>1,337,765</u>
Restricted funds				
Gifts and Donations	7,573	2,756	-	10,329
Conference	-	(1,599)	1,599	-
	<u>7,573</u>	<u>1,157</u>	<u>1,599</u>	<u>10,329</u>
TOTAL FUNDS	<u>1,345,544</u>	<u>2,550</u>	<u>-</u>	<u>1,348,094</u>

CHAPTER TWO

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2020

14. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	210,510	(196,389)	14,121
Revaluation reserve	-	(12,728)	(12,728)
	<u>210,510</u>	<u>(209,117)</u>	<u>1,393</u>
Restricted funds			
Gifts and Donations	13,151	(10,395)	2,756
Conference	40,434	(42,033)	(1,599)
Bibles and Prison	1,231	(1,231)	-
	<u>54,816</u>	<u>(53,659)</u>	<u>1,157</u>
TOTAL FUNDS	<u>265,326</u>	<u>(262,776)</u>	<u>2,550</u>

Transfers between funds

Both the Gifts and Donations fund and the Conference fund are restricted, but are supported, where necessary, by the unrestricted fund. Any shortfall or surplus in the Conference fund for the year is netted off to zero at the end of the year via a transfer from/to the unrestricted fund.

The donations for bibles distributed did exceed the expenditure and a contribution was required from the general fund of £9,976 and is included in the unrestricted charitable activities cost.

15. RELATED PARTY DISCLOSURES

The charity has received £400 (2019 - £400) from Christian Outreach to the Handicapped by way of a management charge, which is considered a related party transaction.

UK Foundation for Christian Service, a related party due to a common trustee, donated £5,576 to Chapter Two.