

**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**

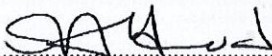
The trustees have delegated day to day management of the charity to the General Manager Mr S Attwood. The General Manager organises the teams of volunteers involved in the distribution of literature from the shop and the warehouse.

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				
<b>INCOME AND ENDOWMENTS FROM</b>					
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	-
<b>Total</b>		<b>221,319</b>	<b>22,501</b>	<b>243,820</b>	<b>208,615</b>
<b>EXPENDITURE ON</b>					
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
<b>Total</b>		<b>186,717</b>	<b>21,864</b>	<b>208,581</b>	<b>192,275</b>
<b>NET INCOME</b>		<b>34,602</b>	<b>637</b>	<b>35,239</b>	<b>16,340</b>
<b>Other recognised gains/(losses)</b>					
Gains on revaluation of fixed assets		-	-	-	279,000
<b>Net movement in funds</b>		<b>34,602</b>	<b>637</b>	<b>35,239</b>	<b>295,340</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>1,624,770</b>	<b>18,664</b>	<b>1,643,434</b>	<b>1,348,094</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,659,372</b>	<b>19,301</b>	<b>1,678,673</b>	<b>1,643,434</b>

The notes form part of these financial statements

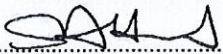


## CHAPTER TWO

### BALANCE SHEET 31 July 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>FIXED ASSETS</b>					
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>
		<b>1,122,061</b>	<b>-</b>	<b>1,122,061</b>	<b>1,139,634</b>
<b>CURRENT ASSETS</b>					
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>
		<b>546,550</b>	<b>32,696</b>	<b>579,246</b>	<b>534,644</b>
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>(9,239)</u>	<u>(13,395)</u>	<u>(22,634)</u>	<u>(30,844)</u>
<b>NET CURRENT ASSETS</b>		<u><b>537,311</b></u>	<u><b>19,301</b></u>	<u><b>556,612</b></u>	<u><b>503,800</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>1,659,372</b></u>	<u><b>19,301</b></u>	<u><b>1,678,673</b></u>	<u><b>1,643,434</b></u>
<b>NET ASSETS</b>		<u><b>1,659,372</b></u>	<u><b>19,301</b></u>	<u><b>1,678,673</b></u>	<u><b>1,643,434</b></u>
<b>FUNDS</b>	14				
Unrestricted funds				<u><b>1,659,372</b></u>	<u>1,624,770</u>
Restricted funds				<u><b>19,301</b></u>	<u>18,664</u>
<b>TOTAL FUNDS</b>				<u><b>1,678,673</b></u>	<u><b>1,643,434</b></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



## 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 £
<b>INCOME AND ENDOWMENTS FROM</b>			
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>
<b>Total</b>			
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
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>
<b>Total</b>			
<b>NET INCOME</b>	8,452	7,888	16,340
<b>Transfers between funds</b>	<u>(447)</u>	<u>447</u>	<u>-</u>

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

#### 9. INTANGIBLE FIXED ASSETS

	Website £
<b>COST</b>	
At 1 August 2020 and 31 July 2021	<u>4,425</u>
<b>AMORTISATION</b>	
At 1 August 2020	2,213
Charge for year	<u>2,212</u>
At 31 July 2021	<u>4,425</u>
<b>NET BOOK VALUE</b>	
At 31 July 2021	<u>-</u>
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 £
<b>COST</b>					
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>
<b>DEPRECIATION</b>					
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>
<b>NET BOOK VALUE</b>					
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 £
<b>Unrestricted funds</b>			
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>
<b>Restricted funds</b>			
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
	£	£	£
<b>Unrestricted funds</b>			
General fund	221,319	(186,717)	34,602
<b>Restricted funds</b>			
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>
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>				
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>
<b>Restricted funds</b>				
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>
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>				
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>
<b>Restricted funds</b>				
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>
<b>TOTAL FUNDS</b>	<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 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Gifts	85,133	101,177
Legacies	45,000	10,000
	<u>130,133</u>	<u>111,177</u>
<b>Charitable activities</b>		
Sale of literature & related products	112,532	95,244
Management charges	400	400
	<u>112,932</u>	<u>95,644</u>
<b>Investment income</b>		
Deposit account interest	256	1,794
<b>Other income</b>		
Gain on sale of tangible fixed assets	499	-
	<u>243,820</u>	<u>208,615</u>
<b>Total incoming resources</b>		
	<u>243,820</u>	<u>208,615</u>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
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>
<b>Support costs</b>		
<b>Finance</b>		
Bank charges	2,946	3,653
<b>Other</b>		
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

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## CHAPTER TWO

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

	2021 £	2020 £
<b>Other</b>		
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
	<hr/> 76,935	<hr/> 65,881
<b>Governance costs</b>		
Legal & professional fees	-	1,200
Accountancy	2,820	3,740
Independent examination	4,375	4,300
	<hr/> 7,195	<hr/> 9,240
<b>Total resources expended</b>	<hr/> 208,581	<hr/> 192,275
<b>Net income</b>	<hr/> <hr/> 35,239	<hr/> <hr/> 16,340

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