

CENTRAL GH TRUST
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

REGISTERED COMPANY NO. 06656919
REGISTERED CHARITY NO. 1125717

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CENTRAL GH TRUST

COMPANY INFORMATION

| | |
|------------------------------------|--|
| Trustees | Laurie Pollard Colin Barnes Oliver Whiley |
| Company secretary | Christopher Stedman |
| Registered office | Central GH Trust Noble House Eaton Road Hemel Hempstead Herts HP2 7UB |
| Charity registration number | 1125717 (England & Wales) |
| Company registration number | 06656919 (England & Wales) |
| Independent auditors | Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE |
| Bankers | NatWest Bank plc Watford Town Centre Branch 72-74 High Street Watford Herts WD17 2GZ |

CENTRAL GH TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2020.

Structure, Governance & Management

Constitution

The charity was incorporated on 25 July 2008 as a company limited by guarantee and was registered with the Charity Commission on 4 September 2008. The charity is governed by its Memorandum and Articles of Association under the Companies Act 2006. The liability of each member is limited to £10 in the event of a winding up.

Trustees

The Trustees met regularly during the year. The power to appoint new Trustees is vested in the existing Trustees. There is an informal interview, induction and training process for any new Trustee. The Trustees who served during the year are shown below:

Laurie Pollard
Philip Hutchinson (deceased 4 April 2021)
Colin Barnes
Oliver Whiley

Public benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning the future activities. In particular the Trustees consider how planned donations will contribute to the aims and objectives they have set. The Trustees consider the current policy for making donations delivers public benefit. Details of the objects which form the basis of this policy are given later in this report. In selecting Christian religious charities for the receipt of grants, the charity is mindful of the requirement that such charities themselves demonstrate public benefit.

Risk review

The major strategic, business and operational risks which the charity faces are under continuous review by the Trustees who ensure that these risks are managed effectively.

The Trustees have identified that the principal risk and uncertainty is the possible failure of recipient trusts to repay loans or the balance of loans on time (for whatever reason) which may impact on future lending to other trusts needing support. Lesser risks are that grants could be used for purposes other than those described in formal applications and that gospel halls could be used for non-charitable purposes.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The trustees mitigate these risks with the following procedures:

- Administrative arrangements are in place to prevent misappropriation of cash funds by local co-ordinators.
- Periodic reviews are made to ensure that local trustees abide by their agreement on loan repayment terms. In the event of real difficulties a revised repayment schedule may be agreed.
- The reserves policy is such that normally sufficient cash is held to enable programmes of support to continue if loan repayments fall short.
- Contact is maintained with trustees of local trusts some of which carry temporary cash surpluses which they would be willing to lend to CGHT.
- Where CGHT supports a local project it is now part of standard procedure to request a financial statement showing total cost and sources of finance to confirm that CGHT's contribution has been included in full.
- Trustees and affiliates maintain contact with local trustees and local congregation members and would quickly become aware of any changes in use which would be a breach of the grant or loan application. There is a fall-back clause in loan agreements that enables CGHT trustees to recall the balance of any loan giving three months' notice in writing.

Objectives and Activities

The objects of the Charity are:

- The advancement of the Christian faith in particular by the provision of churches, gospel halls and other structures and facilities for Christian worship and the giving of assistance to those involved in their construction, repair, improvement and maintenance in such ways as are exclusively charitable, and;
- Such other charitable purposes as the Members see fit.

The Charity's principal objectives are:

- To provide support and guidance regarding the construction and maintenance of places of worship, and
- To assist other Christian religious charities by providing grants and loans for the development of places of worship.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Achievements and Performance

Grant making

The Charity looks to achieve its objectives by collecting donations in order that it may lend or grant money to Christian religious charities in need. Grant applications for funds are considered by a committee.

During the year the Charity made grants of £821,600 (2019: £2,054,507), and at the year end there were loans made to Christian religious charities of £15,199,334 (2019: £17,047,878). Loans from Christian religious charities at the year-end totalled £1,000,000 (2019: £1,000,000).

Financial Review

The net movement in funds amounted to a deficit of £298,952 (2019: deficit of £1,635,996), of which a deficit of £198,550 related to restricted funds (2019: £303,000) and a deficit of £100,402 related to unrestricted funds (2019: £1,332,996). These movements are detailed in the statement of financial activities on page 11.

The unrestricted deficit for the 2020 year is due to an increase in the level of grants paid from the Trust. It is the intention of Trustees to maintain the level of cash resources at a level which allows expenses and grants to be met.

Reserves policy

CGHT's aim is to retain sufficient cash to enable it to support its mainstream charitable purpose of providing financial assistance to charitable trusts engaged in the provision of churches, gospel halls and facilities for Christian worship.

As a general policy, the trustees aim to hold approximately £2 - £5 million as a cash reserve as at 31 December 2020, to fund the increasing requests for support from the charities beneficiaries.

The trustees are aware that with the ongoing cycle of loan repayments, this reserve would be entirely adequate. They are also aware of the fact that there are local trusts with similar charitable purposes holding significant surplus cash and that loans could be arranged at short notice.

At 31 December 2020, the level of general unrestricted funds was £18,566,567 (2019: £18,666,969) and restricted funds was £604,300 (2019: £802,850). Excluding loans made to and received from other trusts, loans from individuals, tangible fixed assets, investment property and property held by a subsidiary the "free reserves" of the charity were £5,222,209 (2019: £3,354,387).

Investment policy

Any surplus resources are held as cash to allow grants and loans to be made promptly and surplus funds attract interest.

Future Plans

The charity plans to continue to assist Christian religious charities through loans and grants.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Trustees Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

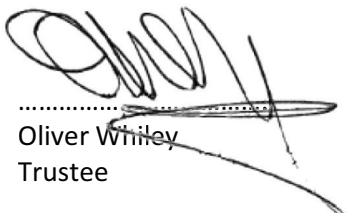
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Signed on behalf of the Trustees on September 21st 2021


.....
Oliver Whitley
Trustee

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Opinion

We have audited the financial statements of Central GH Trust for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Trustees' Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales .

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

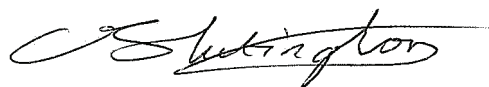
**INDEPENDENT AUDITORS REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Turtington (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

23 September 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

CENTRAL GH TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2020

| | | Unrestricted funds £ | Restricted funds £ | Total 2020 £ | Total 2019 £ |
|---|----------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| <i>Donations and legacies:</i> | | | | | |
| Collections and donations | 2 | 546,305 | - | 546,305 | 428,468 |
| Gift aid recoverable | | 26,318 | - | 26,318 | 35,329 |
| <i>Investments:</i> | | | | | |
| Investment income | 3 | 18,578 | - | 18,578 | 45,155 |
| Total income | | <u>591,201</u> | <u>-</u> | <u>591,201</u> | <u>508,952</u> |
| Expenditure on: | | | | | |
| <i>Charitable activities:</i> | | | | | |
| Assistance to other trusts to provide Christian places of worship | | 691,603 | 198,550 | 890,153 | 2,144,948 |
| Total expenditure | 4 | <u>691,603</u> | <u>198,550</u> | <u>890,153</u> | <u>2,144,948</u> |
| Net (expenditure) | | <u>(100,402)</u> | <u>(198,550)</u> | <u>(298,952)</u> | <u>(1,635,996)</u> |
| Transfers between funds | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | | <u>(100,402)</u> | <u>(198,550)</u> | <u>(298,952)</u> | <u>(1,635,996)</u> |
| Total funds brought forward | | <u>18,666,969</u> | <u>802,850</u> | <u>19,469,819</u> | <u>21,105,815</u> |
| Total funds carried forward | | <u>18,566,567</u> | <u>604,300</u> | <u>19,170,867</u> | <u>19,469,819</u> |

All the above results are derived from continuing activities. The charity has no other recognised gains and losses from those stated above.

The notes on pages 14 to 25 form an integral part of these financial statements.

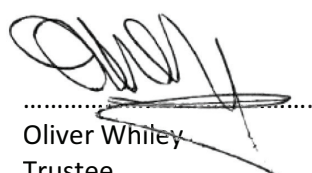
CENTRAL GH TRUST

BALANCE SHEET
AS AT 31 DECEMBER 2020

| | | | 2020 | 2019 |
|---|-------|-------------------|--------------------|--------------------|
| | Notes | £ | £ | £ |
| Fixed assets | | | | |
| Tangible fixed assets | 9 | 4,750 | | 55 |
| Investments | 10 | 552,897 | | 552,897 |
| Programme related investments | 11 | <u>15,199,334</u> | | <u>17,047,878</u> |
| | | | 15,756,981 | 17,600,830 |
| Current assets | | | | |
| Debtors due in less than one year | 12 | 507,175 | | 520,410 |
| Cash at bank and in hand | | <u>5,335,832</u> | | <u>3,655,334</u> |
| | | | 5,843,007 | 4,175,744 |
| Creditors: Amounts falling due within one year | 13 | | <u>(1,653,448)</u> | <u>(1,018,507)</u> |
| Net current assets | | | <u>4,189,559</u> | <u>3,157,237</u> |
| Total assets less current liabilities | | | 19,946,540 | 20,758,067 |
| Creditors: Amounts falling due after one year | 13 | | <u>(775,673)</u> | <u>(1,288,248)</u> |
| Net assets | | | <u>19,170,867</u> | <u>19,469,819</u> |
| Represented by: | | | | |
| Restricted funds | 15 | 604,300 | | 802,850 |
| Unrestricted funds | | <u>18,566,567</u> | | <u>18,666,969</u> |
| Total funds | | | <u>19,170,867</u> | <u>19,469,819</u> |

The notes on pages 14 to 25 form an integral part of this statement of financial activities.

The financial statements were approved by the Trustees on 17TH SEPTEMBER 2021 and signed on their behalf by:



 Oliver Whitley
 Trustee
 Company number: 06656919 (England & Wales)

CENTRAL GH TRUST

STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2020

| | | 2020 | 2019 |
|---|-----------|-------------------------|-------------------------|
| | | £ | £ |
| Cash flows from operating activities: | | | |
| <i>Net cash used in operating activities</i> | 17 | (288,102) | (1,220,939) |
| Cash flows from investing activities: | | | |
| Proceeds from the sale of investments | | - | 1 |
| Purchase of Investment properties | | - | (552,897) |
| Purchase of tangible fixed assets | | (5,000) | - |
| New loans provided | | (969,321) | (969,321) |
| Receipts from loan repayments | | 2,818,544 | 2,818,544 |
| <i>Net cash provided by investing activities</i> | | <u>1,844,223</u> | <u>1,786,911</u> |
| Cash flows from financing activities: | | | |
| Cash inflows from new borrowing | | 124,375 | 1,639,822 |
| <i>Net cash provided by financing activities</i> | | <u>124,375</u> | <u>1,639,822</u> |
| Change in cash and cash equivalents in the year | | <u>1,680,498</u> | <u>(1,368,028)</u> |
| Cash and cash equivalents at 1 January 2020 | 18 | <u>3,655,334</u> | <u>5,023,362</u> |
| Cash and cash equivalents at 31 December 2020 | 18 | <u><u>5,335,832</u></u> | <u><u>3,655,334</u></u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

1.1 Company information

Central GH Trust is incorporated in England and Wales as a registered charity and a company limited by guarantee. The registered office is Noble House, Eaton Road, Hemel Hempstead, Herts HP2 7UB.

Central GH Trust has one wholly owned subsidiary company; Langton Projects Limited.

1.2 Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Financial Reporting Standard applicable in the UK and republic of Ireland (FRS 102) and the Companies Act 2006.

The Central GH Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are wholly recognised at historical costs or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.3 Going Concern

The trustees have considered the operating position of the charity and are of the opinion that there are no material uncertainties regarding the charity's ability to continue as a going concern.

1.4 Incoming resources

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

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities comprises expenditure related to the direct furtherance of Central GH Trust charitable objects and is accounted for on an accruals basis. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with use of the resources.

Grants are charged to expenditure when the obligation in relation to each grant arises. Unpaid grants are included in creditors in accordance with the requirements of FRS102.

Direct costs comprise costs incurred directly in generating funds and for charitable purposes.

Support costs comprise costs incurred directly in support of expenditure on the objects of the charity and are an integral part of the costs of carrying out the direct charitable objectives of the charity.

Governance costs are those incurred in compliance with constitutional and statutory requirements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

1.6 Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of Central GH Trust.

Restricted funds relate to assets transferred to the charity from Woodlands Meeting Room Trust (registered charity number 1162840). As the objects of Woodlands Meeting Room Trust are narrower than that of the charity with regards to charitable lending, these assets have been treated as restricted in the financial statements of the charity. On the repayment of the loans, the charity is making grants from the restricted funds in line with the objects of the Woodlands Meeting Room Trust.

1.7 Programme related investments

Loans are made to Christian religious charities. These are made to further the charity's objects rather than to create financial gain.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost including any incidental expenses of acquisition. Assets are capitalised where the unit cost exceeds £500.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over the term of the lease or their expected useful economic lives, whichever is shorter. Useful lives are as follows:

Equipment – 20% straight line

Property – 2% straight line

1.9 Investment property

Investment property is stated at market value in the balance sheet. The Statement of Financial Activities includes the net gains or losses arising on revaluations and disposals throughout the year. No depreciation is charged on investment property.

1.10 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1.13 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.14 Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, the Trustees are required to make judgement, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The key areas for consideration is the valuation of the investment property. The Trustees have made key assumptions in the determination of the fair value of the investment property in respect of there being no material change in its market value since its purchase in 2019.

2 Income

| | 2020 | 2019 |
|--------------------|----------------|----------------|
| | £ | £ |
| Donations received | 546,305 | 428,468 |
| Grants received | - | - |
| | <u>546,305</u> | <u>428,468</u> |

3 Interest receivable

| | 2020 | 2019 |
|------------------------|---------------|---------------|
| | £ | £ |
| Bank interest received | 16,583 | 37,155 |
| Loan interest received | 1,995 | 8,000 |
| | <u>18,578</u> | <u>45,155</u> |

CENTRAL GH TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4 Expenditure

| | Grants | Direct costs | Support costs | Governance costs | Depreciation | 2020 Total |
|----------------------------|------------------|--------------|---------------|------------------|--------------|------------------|
| | £ | £ | £ | £ | £ | £ |
| Restricted funds: | | | | | | |
| Assistance to other Trusts | 198,550 | - | - | - | - | 198,550 |
| | <u>198,550</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>198,550</u> |
| Unrestricted funds: | | | | | | |
| Assistance to other Trusts | 623,050 | - | 8,826 | 59,422 | 305 | 691,603 |
| | <u>623,050</u> | <u>-</u> | <u>8,826</u> | <u>59,422</u> | <u>305</u> | <u>691,603</u> |
| | <u>821,600</u> | <u>-</u> | <u>8,826</u> | <u>59,422</u> | <u>305</u> | <u>890,153</u> |
| | | | | | | |
| | Grants | Direct costs | Support costs | Governance costs | Depreciation | 2019 Total |
| | £ | £ | £ | £ | £ | £ |
| Restricted funds: | | | | | | |
| Assistance to other Trusts | 303,000 | - | - | - | - | 303,000 |
| | <u>303,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>303,000</u> |
| Unrestricted funds: | | | | | | |
| Assistance to other Trusts | 1,751,507 | - | 9,998 | 80,059 | 384 | 1,841,948 |
| | <u>1,751,507</u> | <u>-</u> | <u>9,998</u> | <u>80,059</u> | <u>384</u> | <u>1,841,948</u> |
| | <u>2,054,507</u> | <u>-</u> | <u>9,998</u> | <u>80,059</u> | <u>384</u> | <u>2,144,948</u> |

The surplus for the year is stated after charging:

| | 2020 Total | 2019 Total |
|--------------|------------|------------|
| Audit fees | 12,228 | 11,994 |
| Depreciation | <u>305</u> | <u>384</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5 Grants Awarded

The Charity makes grants to Christian religious charities for the development of places of worship.

| | 2020 | 2019 |
|--|----------------|------------------|
| | £ | £ |
| City of Londonderry Charitable Trust | 150,000 | |
| Copenhagen Meeting Room Association | 100,000 | |
| Portswood Gospel Hall Trust | 65,000 | 78,000 |
| Reuniones Evangelicas BA | 21,000 | 204,127 |
| South Downs Gospel Hall Trust | 100,000 | - |
| Stiftung Evangeliums-Versammlungsraeume Zurich | 5,600 | 23,200 |
| The Down Gospel Trust | 140,000 | - |
| The Grace Trust | 125,000 | - |
| The Manor Gospel Trust | 110,000 | - |
| Winchester Gospel Hall Trust | 30,000 | 136,000 |
| Activa Forvlatning | - | 50,000 |
| Bedford Gospel Hall Trust | - | 70,000 |
| Chelmsford Gospel Hall Trust | - | 22,500 |
| East Kent Gospel Hall Trust | - | 400,000 |
| Grosvenor Gospel Hall Trust | - | 55,000 |
| Kilmarnock Gospel Hall Trust | - | 12,000 |
| Landsdowne Gospel Hall Trust | - | 50,000 |
| Leamington Gospel Hall Trust | - | 8,500 |
| Manchester Gospel Hall Trust | - | 67,000 |
| Northridge Gospel Hall Trust | - | 316,680 |
| Quarry Gospel Hall Trust | - | 86,500 |
| Sandford Road Gospel Hall Trust | - | 225,000 |
| Silverdale Gospel Hall Trust | - | 50,000 |
| Springfield Gospel Trust | - | 150,000 |
| Swaffham Gospel Hall Trust | - | 50,000 |
| | <u>821,600</u> | <u>2,054,507</u> |

6 Taxation

The Trust is a registered charity and is exempt from corporation tax on its charitable income, provided this is spent on charitable purposes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7 Governance costs

| | 2020 | 2019 |
|-----------------------------|---------------|---------------|
| | £ | £ |
| Audit fee | 12,228 | 14,590 |
| Support costs | 46,213 | 57,719 |
| Legal and professional fees | 981 | 7,750 |
| | <u>59,422</u> | <u>80,059</u> |

8 Staff and Trustees costs

The Charity has no directly employed staff. The day to day running of the Charity is carried out by the Trustees.

During the year £46,109 (2019: £55,518) was paid to C&H Stedman for company secretarial and accountancy services. Christopher Stedman, the company secretary of Central GH Trust, is a partner in C&H Stedman.

No trustees received any payments, emoluments or were reimbursed expenses.

9 Tangible fixed assets

| | Equipment | Total |
|------------------------|------------------|--------------|
| | £ | £ |
| Cost | | |
| At 1 January 2020 | 1,062 | 1,062 |
| Additions | 5,000 | 5,000 |
| Disposals | - | - |
| At 31 December 2020 | <u>6,062</u> | <u>6,062</u> |
| Depreciation | | |
| At 1 January 2020 | 1,007 | 1,007 |
| Charge for year | 305 | 305 |
| Eliminated on disposal | - | - |
| 31 December 2020 | <u>1,312</u> | <u>1,312</u> |
| Net book value | | |
| At 31 December 2020 | <u>4,750</u> | <u>4,750</u> |
| At 31 December 2019 | <u>55</u> | <u>55</u> |

All fixed assets are used for charitable activities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10 Investments

| | Total £ |
|---|--------------------|
| Market value at 31 December 2020 and 31 December 2019 | 552,897 |

In the opinion of the Trustees, the carrying value of the property as at 31 December 2020 is a fair reflection of market value.

11 Programme related investments

| | 2020 Total £ | 2019 Total £ |
|--|-----------------------------|-----------------------------|
| Advances to Christian religious charities | | |
| Loans repayable in over one year: | | |
| Brought forward at 1 January | 17,047,878 | 15,814,543 |
| Loans made | 970,000 | 2,819,518 |
| Loans repaid | (2,818,544) | (1,586,183) |
| Carried forward at 31 December | 15,199,334 | 17,047,878 |

The above loans are provided to registered charities and are interest free and repayable with three months' notice.

12 Debtors

| | 2020 £ | 2019 £ |
|--------------------------------------|-------------------|-------------------|
| Amounts falling due within one year: | | |
| Gift Aid recoverable | 1,537 | 4,879 |
| Payroll giving receivable | 1,629 | 2,811 |
| Prepayments and other debtors | 504,009 | 512,719 |
| | 507,175 | 520,410 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13 Creditors

| | 2020 | 2019 |
|--|------------------|------------------|
| | £ | £ |
| Amounts falling due within one year | | |
| Loans from Christian religious charities | 1,000,000 | 1,000,000 |
| Loans from individuals | 636,950 | - |
| Accruals and deferred income | 12,097 | 15,001 |
| Trade creditors | 4,401 | 3,506 |
| | <u>1,653,448</u> | <u>1,018,507</u> |
| | 2020 | 2019 |
| | £ | £ |
| Amounts greater than one year | | |
| Loans from individuals | <u>775,673</u> | <u>1,288,248</u> |
| | <u>775,673</u> | <u>1,288,248</u> |

During the year CGHT continued to receive personal loans from charity supporters under an initiative run by Focus Learning Trust. The initiative results in CGHT holding loans for individuals for 3 years. No interest is payable on the loans and the charity is free to apply interest earned without restriction. The charity will repay the 2018 debentures totalling £636,950 during 2021 and the balance of £775,673 during 2022.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

14 Movement in funds

| | At 1 January 2020 £ | Incoming resources £ | Outgoing resources £ | At 31 December 2020 £ |
|--------------------|------------------------------|----------------------------|----------------------------|--------------------------------|
| Funds | | | | |
| Unrestricted funds | 18,666,969 | 591,201 | (691,603) | 18,566,567 |
| Restricted funds | 802,850 | - | (198,550) | 604,300 |
| | <u>19,469,819</u> | <u>591,201</u> | <u>(890,153)</u> | <u>19,170,867</u> |
| | | | | |
| | At 1 January 2019 £ | Incoming resources £ | Outgoing resources £ | At 31 December 2019 £ |
| Funds | | | | |
| Unrestricted funds | 19,999,965 | 508,952 | (1,841,948) | 18,666,969 |
| Restricted funds | 1,105,850 | - | (303,000) | 802,850 |
| | <u>21,105,815</u> | <u>508,952</u> | <u>(2,144,948)</u> | <u>19,469,819</u> |

Restricted funds relate to assets transferred to the charity from Woodlands Meeting Room Trust (registered charity number 1162840) during the year ended 31 December 2018. As the objects of Woodlands Meeting Room Trust were narrower than that of the charity with regards to charitable lending, these assets have been treated as restricted income in the financial statements of the charity. On the repayment of the loans, the charity is making grants from the restricted funds in line with the objects of the Woodlands Meeting Room Trust.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15 Analysis of net assets between funds

At 31 December 2020

| | Unrestricted funds £ | Restricted funds £ | Total funds £ |
|--------------------------------|-------------------------------------|-----------------------------------|------------------------------|
| Tangible fixed assets | 4,750 | - | 4,750 |
| Investment in subsidiary | 552,897 | - | 552,897 |
| Programme related fixed assets | 14,595,034 | 604,300 | 15,199,334 |
| Cash | 5,335,832 | - | 5,335,832 |
| Debtors | 507,175 | - | 507,175 |
| Creditors | (2,429,121) | - | (2,429,121) |
| | <u>18,566,567</u> | <u>604,300</u> | <u>19,170,867</u> |

At 31 December 2019

| | Unrestricted funds £ | Restricted funds £ | Total funds £ |
|--------------------------------|-------------------------------------|-----------------------------------|------------------------------|
| Tangible fixed assets | 55 | - | 55 |
| Investment in subsidiary | 552,897 | - | 552,897 |
| Programme related fixed assets | 16,245,028 | 802,850 | 17,047,878 |
| Cash | 3,655,334 | - | 3,655,334 |
| Debtors | 520,4101 | - | 520,4101 |
| Creditors | (2,306,755) | - | (2,306,755) |
| | <u>18,666,969</u> | <u>802,850</u> | <u>19,469,819</u> |

16 Related parties

Oliver Whiley is also a Trustee of Silverdale Gospel Hall Trust. Silverdale Gospel Hall Trust has an outstanding loan balance owed to CGHT of £450,000 as at 31 December 2020 (2019: £450,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

17 Reconciliation of net expenditure to net cash flow from operating activities

| | 2020 | 2019 |
|--|------------------|--------------------|
| | £ | £ |
| Net expenditure | (298,954) | (1,635,996) |
| Adjustments for: | | |
| Depreciation | 305 | 384 |
| Decrease in debtors | 12,556 | 413,013 |
| Increase in creditors | (2,009) | 1,660 |
| Net cash used in operating activities | (288,102) | (1,220,939) |

18 Analysis of cash and cash equivalents

| | 2020 | 2019 |
|--|------------------|------------------|
| | £ | £ |
| Cash at bank and in hand | 5,335,832 | 3,655,334 |
| Total cash and cash equivalents | 5,335,832 | 3,655,334 |

19 Analysis of changes in net debt

| | At 1 January 2020 £ | Cash flows £ | At 31 December 2020 £ |
|---|------------------------------|------------------|--------------------------------|
| Cash | 3,655,334 | 1,680,498 | 5,335,832 |
| Loans owed to the charity due within one year | 17,548,557 | (1,849,223) | 15,699,334 |
| Loans owed by the charity due within one year | (1,000,000) | - | (1,000,000) |
| Loans owed by the charity due within one year | (1,288,248) | (124,375) | (1,412,623) |
| | 18,915,643 | (293,100) | 18,622,543 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

20 Comparative Statement of Financial Activities

| | Unrestricted funds £ | Restricted funds £ | Total 2019 £ |
|--|----------------------------|--------------------------|--------------------|
| Income from: | | | |
| <i>Donations and legacies:</i> | | | |
| Collections and donations | 428,468 | - | 428,468 |
| Gift aid recoverable | 35,329 | - | 35,329 |
| <i>Investments:</i> | | | |
| Investment income | 45,155 | - | 45,155 |
| Total income | 508,952 | - | 508,952 |
| Expenditure on: | | | |
| <i>Charitable activities:</i> | | | |
| Assistance to other trusts to provide Christian places of worship | 1,841,948 | 303,000 | 2,144,948 |
| Total expenditure | 1,841,948 | 303,000 | 2,144,948 |
| Net (expenditure) | (1,332,996) | (303,000) | (1,635,996) |
| Transfers between funds | - | - | - |
| Net movement in funds | (1,332,996) | (303,000) | (1,635,996) |
| Total funds brought forward | 19,999,965 | 1,105,850 | 21,105,815 |
| Total funds carried forward | 18,666,969 | 802,850 | 19,469,819 |