

Company number 6849860
Charity number 1129661

The Church Renewal Trust
(A charitable company limited by guarantee)
Trustees' report and
Consolidated Financial Statements
For the year ended 31 December 2020

**Consolidated Financial Statements
For the year ended 31 December 2020**

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Trustees' report

For the year ended 31 December 2020

The trustees, who are also directors of The Church Renewal Trust, are pleased to submit their annual report and audited financial statements for the year ended 31 December 2020. The trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" Charities SORP (FRS 102), the Companies Act 2006 and applicable UK accounting standards in preparing the annual report and financial statements of the charity.

Reference and administrative information

Full name of charity	The Church Renewal Trust
Trustees	Reverend N P G Gumbel Miss P M Neill Mr J A Jennings Reverend M Layzell
Secretary	Mr J Shippen
Company number	6849860
Charity number	1129661
Registered office and address	Holy Trinity Brompton, Brompton Road, London, SW7 1JA
Bankers	National Westminster Bank, 186 Brompton Road, Knightsbridge, SW3 1HL
Auditors	Moore Kingston Smith LLP

Structure, Governance and Management

The Church Renewal Trust (CRT) is governed by its Memorandum and Articles of Association and is constituted as a company limited by guarantee (number 6849860) and a registered charity (number 1129661).

New trustees of CRT are appointed by the existing trustees who are also the members. New trustees are provided with guidance notes explaining their role and responsibilities as trustees of the charity. All new trustees are fully briefed on the activities and vision of CRT. The board met formally once during the year to discuss strategic matters and approve the 2019 annual accounts. Outside of this meeting there was regular contact between all trustees.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'. The trustees believe that CRT is providing a public benefit by keeping open churches as places of public worship and as centres for community activities which benefit individuals and society as a whole.

Objectives and Activities

The vision of The Church Renewal Trust is to see church buildings kept open, renewed and alive as places of worship, teaching and other services for the local community.

The main activity of CRT is to hold leases of church buildings that are at risk of leaving ecclesiastical use; to renew them by repair and refurbishment and then lease them on (at a peppercorn rent) for suitable church purposes, such as establishing a vibrant worshipping community, providing theological teaching and other related activities around the hub of a church; thus securing the ecclesiastical use for future generations.

Incorporation: CRT was incorporated on 17 March 2009 and registered as a charity shortly thereafter. Thus far two Church leases have been taken on.

Subsidiary: On 8 March 2010 CRT acquired the sole share in Holy Trinity Brompton Developments Ltd (HTBDL) for £1. HTBDL is a private limited company registered in England and Wales (registered number 5559730). In August 2009 CRT entered into a design and build contract with HTBDL for the refurbishment of St Jude's church. This contract was completed during 2015, and HTBDL is currently dormant.

Trustees' report

For the year ended 31 December 2020

Achievements and Performance

The charity has completed the repair and restoration of the spire and tower at St Jude's Courtfield Gardens at the end of 2018 which was identified as needing urgent repairs late in 2016. This was funded by gifts received from St Paul's Theological Centre (SPTC), Holy Trinity Brompton (HTB), Chelmsford and London Dioceses, All Churches Trust, and from congregation members. Loans totalling £450,000 were granted by the London Diocesan Fund (LDF) (see Note 6), and bridging finance provided by HTB.

The two building leases currently held by CRT (St Peter's, Brighton and St Jude's, Courtfield Gardens) continue to facilitate excellent charitable work;

St Peter's, Brighton: This magnificent church, known as "the Cathedral of Brighton" sits on a prominent island between the two main highways into the city centre. Having been made redundant and due for closure, friends of the church staged a campaign to keep it open culminating in an agreement to award a lease to CRT. In 2009 a new parish was created and a plant from Holy Trinity Brompton joined the tiny remnant of a congregation. Former HTB curate, Archie Coates, was made vicar and around fifty of the HTB congregation joined him and his family in Brighton. St Peter's Brighton now has a thriving worshipping community of around 1,400, and runs numerous community courses, a homeless shelter, a debt advice centre and a food bank. St Peter's planted its first church, Holy Trinity in Hastings, in 2015 and there have been six other church plants from St Peter's since then.

St Jude's, Courtfield Gardens: The refurbishment of St Jude's (a grade I listed building), as a theological college, was completed towards the end of 2012. The building now comprises office space, a multi-purpose church space, lecture rooms, meeting rooms and a library. The building is occupied by St Mellitus College & St Paul's Theological Centre which provides degree and other theological education for ordinands and lay students. Student numbers continue to grow and the college is fulfilling its vision of equipping next-generation church leaders with the knowledge and practical skill to enrich their lives and guide others. Repair and restoration work for the St Jude's spire was started in 2017 and continued throughout 2018. The project is now complete, having cost just over £1.5m.

Future Plans and Objectives

In the coming year, CRT will be open to taking on leases on redundant church buildings to contribute towards the restoration and renewal of the buildings and the communities that worship and serve there.

Financial Review

Results for the Year

CRT group recorded a shortfall on unrestricted funds of £119,218 (2019: £123,255) plus a shortfall on restricted funds of £Nil (2019: £12,808) to give a total deficit of £119,218 (2019: £136,063). Cash in hand at the end of the year for the group and charity was £17,167 (2019: £18,740). The net current liability for 2020 is £35,485 (2019: £115,540) which relates to the repair work on the St Jude's spire tower. This project was carried out between 2017 and 2018 at a total cost of just over £1.5m. Nearly £800K of donations were raised to fund the repair works, leaving a shortfall of circa £700K. An agreement was signed with St Paul's Theological Centre (SPTC) - the main user of the building - in December 2018 whereby SPTC will pay an annual service charge of £70,000 per annum for ten years to offset the remaining unfunded cost of these repairs. These annual payments commenced in 2019.

General Funds & Reserve Policy

It is the policy of the trustees not to build up reserves beyond the operating needs of the charity. The majority of the work of CRT consists of capital projects and supporting church plants, and each project will be financed by a targeted fundraising campaign. The CRT group has a shortfall on free reserves of £409,346 (2019: £341,527) and a designated fund of £7,673,374 (2019: £7,724,773) in respect of the St Jude's development work. This designated fund is equal to the net book value of the leasehold improvements at St Jude's less loans taken out to finance the works - which represents funds invested in this project.

The shortfall on free reserves is the result of a shortfall on funds raised versus costs incurred on the St Jude's repair project as at 31 December 2020. The charity's mitigations against this temporary position are:

1. Receipt of a £225k donation in 2021 from St Mellitus College.
2. The service charge agreement with St Paul's Theological Centre (SPTC) which was agreed in December 2018. SPTC was originally due to pay CRT £70,000 a year for ten years (2019-2028) as a service charge towards the cost of the repairs to the spire, but this has been paused until 2024 given the St Mellitus donation in 2021.
3. The intercompany loan from HTB (£423,861 at 31 December 2020). This loan carries neither interest nor repayment terms, with the intention being that CRT will repay the London Diocese loan and the HTB loan from future service charge receipts from SPTC.
4. The PCC of HTB have underwritten both capital and interest on the loans to CRT from the London Diocese.
5. The London Diocese has pledged a £250k donation towards the Church Renewal Trust, contingent on successful sale of a property which they own.

Trustees' report

For the year ended 31 December 2020

Specified Funds

Specified funds comprise the unused element of donations given for specific purposes. At 31 December 2020 these totalled £Nil (2019: £Nil).

Policy on Grants

The board's policy is to pursue its charitable objects by making supportive grants and loans to churches or to charities with similar objects, which have planted a new church or plan to do so. No grants were awarded in 2020.

Related Parties

For related party details please refer to note 10.

Trustees' Responsibilities

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the surplus or deficit of the company for that period. In preparing these accounts, the trustees are required to:

- 1 select suitable accounting policies and then apply them consistently;
- 2 comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- 3 state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- 4 make judgements and estimates that are reasonable and prudent;
- 5 prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Risk Management

The trustees have conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems and procedures have been established to mitigate the risks that the charity faces. The schedule of major risks and mitigations identified by the board is set out below.

Major Risks and Uncertainties	
Potential Risk	Mitigation
Lack of formal contractual relationships between CRT, St Paul's Theological Centre and St Mellitus College over the St Jude's building results in increased liability and financial risk.	Contract discussions to be continued with St Paul's Theological Centre so that SPTC bears responsibility for the repair and upkeep of the building. SPTC has agreed a 10 year service charge relating to the spire repair works.
Operating with negative free reserves may result in going concern issues.	The service charge agreement with SPTC, the informal loan from HTB (together with HTB's underwriting of the London Diocese loan) and the £250k pledge from the London Diocese (contingent on sale of property they own), mitigate this risk.

The trustees have considered the potential impact of the coronavirus pandemic on CRT's operations, and the various measures taken to contain it. Given that the main activity of CRT is to hold leases of church buildings, there has been no impact on current activities or future aims of the charity. The trustees are keeping the potential financial effect under review and, given the service charge agreement with SPTC and the informal loan from HTB, believe CRT will continue to fulfil all contractual obligations and remain in operation for the foreseeable future. Refer to Note 1 for details on our going concern assessment.

Statement as to disclosure of information to auditors

The trustees have taken all necessary steps to make themselves aware, as trustees, of any relevant audit information, and to establish that the auditors are aware of that information.

As far as the trustees are aware, there is no relevant audit information about which the auditors are unaware.

Trustees' report For the year ended 31 December 2020

Auditors

Moore Kingston Smith LLP were appointed to carry out our audit for 2020.

This report is prepared in accordance with the Special Provisions of the Companies Act relating to small companies.

By order of the board

DocuSigned by:

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Miss P M Neill

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE CHURCH RENEWAL TRUST

Opinion

We have audited the financial statements of The Church Renewal Trust (the 'company') for the year ended 31 December 2020 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2020 and of the group's 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 requirements of the Companies Act 2006 and the Charities Act 2011.

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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE CHURCH RENEWAL TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 take advantage of the small companies exemption from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees (who are also the 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 group and parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE CHURCH RENEWAL TRUST

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

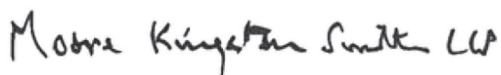
As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of this 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 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.



James Cross (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 17 September 2021

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

The Church Renewal Trust

Consolidated Statement of Financial Activities

For the year ended 31 December 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
<u>Income</u>							
Donations and legacies							
Donations including Gift Aid		-	-	-	-	30,000	30,000
Grant & Other Income		12	-	12	26	7,192	7,218
		<u>12</u>	<u>-</u>	<u>12</u>	<u>26</u>	<u>37,192</u>	<u>37,218</u>
Property related income		70,000	-	70,000	70,000	-	70,000
Total charitable income		<u>70,012</u>	<u>-</u>	<u>70,012</u>	<u>70,026</u>	<u>37,192</u>	<u>107,218</u>
<u>Expenditure</u>							
Expenditure on charitable activities							
Project Costs	2a	4,631	-	4,631	8,093	-	8,093
Operating and Governance costs	2b	184,599	-	184,599	185,188	-	185,188
Grants	2c	-	-	-	-	50,000	50,000
		<u>189,230</u>	<u>-</u>	<u>189,230</u>	<u>193,281</u>	<u>50,000</u>	<u>243,281</u>
Total charitable expenditure		<u>189,230</u>	<u>-</u>	<u>189,230</u>	<u>193,281</u>	<u>50,000</u>	<u>243,281</u>
Net income/(expenditure)		<u>(119,218)</u>	<u>-</u>	<u>(119,218)</u>	<u>(123,255)</u>	<u>(12,808)</u>	<u>(136,063)</u>
Transfer from restricted to unrestricted funds		-	-	-	37,192	(37,192)	-
Movement in funds		<u>(119,218)</u>	<u>-</u>	<u>(119,218)</u>	<u>(86,063)</u>	<u>(50,000)</u>	<u>(136,063)</u>
Funds brought forward		7,383,246	-	7,383,246	7,469,309	50,000	7,519,309
Funds carried forward at 31 December 2020		<u>7,264,028</u>	<u>-</u>	<u>7,264,028</u>	<u>7,383,246</u>	<u>-</u>	<u>7,383,246</u>

All amounts are derived from continuing operations. The company has no recognised gains and losses other than the net movement in funds for the period shown above. No salaries were paid to either staff or trustees in either years.

The notes on pages 10 to 15 form part of these financial statements.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The Church Renewal Trust

Consolidated and Charity Balance Sheet As at 31 December 2020

		CRT Group		CRT Charity	
	Note	2020 £	2019 £	2020 £	2019 £
FIXED ASSETS					
Leasehold Improvements	3	7,798,374	7,979,754	8,031,902	8,218,842
CURRENT ASSETS					
Cash at bank and in hand	4	17,167	18,740	17,167	18,740
Total current assets		<u>17,167</u>	<u>18,740</u>	<u>17,167</u>	<u>18,740</u>
LIABILITIES:					
AMOUNTS FALLING DUE WITHIN ONE YEAR	5	<u>(52,652)</u>	<u>(134,280)</u>	<u>(52,652)</u>	<u>(134,280)</u>
NET CURRENT (LIABILITIES)		(35,485)	(115,540)	(35,485)	(115,540)
LIABILITIES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
	5	(498,861)	(480,968)	(498,861)	(480,968)
NET ASSETS		<u>7,264,028</u>	<u>7,383,246</u>	<u>7,497,556</u>	<u>7,622,334</u>
FUNDS					
Unrestricted	7	(409,346)	(341,527)	(409,346)	(341,527)
Designated fund	8	7,673,374	7,724,773	7,906,902	7,963,861
Restricted		-	-	-	-
		<u>7,264,028</u>	<u>7,383,246</u>	<u>7,497,556</u>	<u>7,622,334</u>

This report is prepared in accordance with the Special Provisions of the Companies Act relating to small companies.
The notes on pages 10 to 15 form part of these accounts.

Approved by the board on 14th September 2021 and signed on its behalf by:

DocuSigned by:

Patricia Mill

Miss P M Mill
Trustee

Company number 6849860

Charity number 1129661

The Church Renewal Trust

Consolidated Statement of Cashflow For the year ended 31 December 2020

	2020 £	2019 £
Net cash inflow from operating activities (see note below)	62,240	74,189
Cash flows from financing activities		
Additions to fixed assets	-	(2,658)
Net receipt / (repayment) of loans	(63,813)	(77,527)
Net increase / (decrease) in cash & cash equivalent after financing	(1,573)	(5,996)
Increase / (decrease) in cash and cash equivalents	(1,573)	(5,996)
Cash and cash equivalents brought forward	18,740	24,736
Cash and cash equivalents carried forward	17,167	18,740

Note to cash flow statement

	2020 £	2019 £
Cash flow from operating activities		
Net operating income/(expenditure) (per SOFA)	(119,218)	(136,063)
Depreciation and amortisation charges	181,380	181,380
(Increase) / decrease in debtors	-	63,000
Increase / (decrease) in creditors	78	(34,128)
Net cash inflow from operating activities	62,240	74,189

The Church Renewal Trust

Notes to the financial statements For the year ended 31 December 2020

1. ACCOUNTING POLICIES

The Church Renewal Trust is a public benefit entity for the purposes of FRS 102 and therefore the charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), Companies Act 2006, and the Charities Act.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity (The Church Renewal Trust) and its wholly owned subsidiary undertaking, Holy Trinity Brompton Developments Ltd for the year 2020. The results of the subsidiary are consolidated on a line-by-line basis. No separate statement of financial activities has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006 and 2015 FRS 102 charity SORP. The total income of the parent charity for the year was £70,012 (2019: £107,218) and its net result was a deficit of £124,778 (2019: £141,623).

The financial statements are prepared in sterling, which is the functional currency of the charity and company. Monetary amounts in these financial statements are rounded to the nearest pound.

Funds

General funds represent the funds of the charity that are not subject to any restrictions regarding their use and are available for application on the general purposes of the charity. Funds designated for a particular purpose by the charity are also unrestricted. The accounts include all transactions, assets and liabilities for which the charity is responsible in law.

Restricted funds arise where the donor has specified which area of activity they wish to be supported by their gift. The charity is not at liberty to utilise these funds to support other activity without the express permission of the donor.

The accounts include all transactions, assets and liabilities for which the charity is responsible in law.

Going Concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions, including those as a result of the coronavirus pandemic, that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees do not believe there to be any coronavirus related impact on the charity's current activities or future aims. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of the unexpected additional cost of the major repairs required to the charity's leasehold premises.

The trustees have assessed the going concern of CRT in light of the negative unrestricted undesignated funds and net current liabilities. The deficit on free reserves and net current liability position is the result of a mismatch between costs and donations for the St Jude's spire project as at 31 December 2020. As highlighted in the Trustees Annual Report, the charity's mitigations against this temporary position are:

1. Receipt of a £225k donation in 2021 from St Mellitus College.
2. The service charge agreement with St Paul's Theological Centre (SPTC) for £70,000 per annum originally for the forthcoming ten years which has been paused until 2024 given the St Mellitus donation in 2021.
3. The intercompany loan from HTB (£423,861 at 31 December 2020) which carries neither interest nor repayment terms.
4. The PCC of HTB have underwritten both capital and interest on the loans to CRT from the London Diocese.
5. The London Diocese has pledged a £250k donation towards CRT, contingent on successful sale of property they own.

The trustees have therefore concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Income

Voluntary income and capital sources

Donations receivable are recognised only when the charity is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt by the charity is probable. Income tax recoverable on Gift Aid donations is recognised when the donation is recognised.

Expenditure

Expenditure is charged to the statement of financial activities as it falls due, and is analysed according to its nature between the following categories: Project Costs, Operating and Governance Costs and Grants outwards.

Grants

Grants are made to charitable organisations continuing activities which accord with the objects of The Church Renewal Trust, and are accounted for when due. All grants are made at the discretion of the board.

Fixed Assets

Costs related to the Leasehold Improvements are capitalised as incurred.

Assets are depreciated on a straight line basis over their estimated useful lives. The periods used are as follows:

Leasehold Improvements	50 years
------------------------	----------

Depreciation has been charged on the leasehold improvements which are complete. No depreciation has been charged on leasehold improvements which have not yet been completed.

The carrying values of tangible fixed assets are reviewed for impairment in periods when events or changes in circumstances indicate the carrying value may not be recoverable.

The Church Renewal Trust

Notes to the financial statements For the year ended 31 December 2020

Current Assets

Amounts owing to the charity at 31 December are shown as debtors, after providing for amounts that it is thought may prove uncollectable.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 4 and 6 for the debtor and creditor notes.

Creditors

Creditors 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.

Critical Accounting Estimates and Areas of Judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgement and estimate is considered by the trustees to have the most significant effect on amounts recognised in the financial statements:

Useful Economic Lives

The annual depreciation charge for leasehold improvements is sensitive to change in the estimated useful economic lives and residual values of assets. These are reassessed periodically and amended where necessary to reflect current circumstances.

The Church Renewal Trust

Notes to the financial statements For the year ended 31 December 2020

2. EXPENDITURE

	CRT Group		CRT	
	2020	2019	2020	2019
	£	£	£	£
a) Project Costs				
Interest paid	4,631	8,093	4,631	8,093
b) Operating and Governance Costs				
Auditor's remuneration: current year	2,652	2,574	2,652	2,574
Under accrual for prior year	498	1,136	498	1,136
	3,150	3,710	3,150	3,710
Bank Charges	69	98	75	98
Depreciation for the year	181,380	181,380	186,940	186,940
	184,599	185,188	190,165	190,748
c) Grants				
Grant outward for Church Plant	-	50,000	-	50,000

3. TANGIBLE FIXED ASSETS

		CRT Group	CRT
		Leasehold Improvements	Leasehold Improvements
		£	£
Cost	Cost b/f at 1 January 2020	9,069,005	9,347,014
	Additions	-	-
	Closing Balance at 31 December 2020	9,069,005	9,347,014
Depreciation	Depreciation b/f at 1 January 2020	1,089,251	1,128,172
	Depreciation for the year	181,380	186,940
	Depreciation c/f 31 December 2020	1,270,631	1,315,112
Net Book Value	At 31 December 2019	7,979,754	8,218,842
	At 31 December 2020	7,798,374	8,031,902

Leasehold improvements relate to the alteration and repair of St Jude's Church. The lease is held for a 125-year period commencing 1 July 2009.

The prior year additions related to the repair and restoration work performed on the St Jude's tower and spire. The St Jude's tower and spire was brought into use on the 1st January 2019. The total amount of costs to complete the project amounted to £1,508,603 (including VAT which the charity has claimed back, where allowed, from the Listed Places of Worship Grant Scheme).

The Church Renewal Trust

Notes to the financial statements For the year ended 31 December 2020

4. CASH AT BANK AND IN HAND	CRT Group		CRT	
	2020	2019	2020	2019
	£	£	£	£
Balance at bank and in hand	17,167	18,740	17,167	18,740
	17,167	18,740	17,167	18,740

5. CREDITORS	CRT Group		CRT	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Accruals	2,652	2,574	2,652	2,574
LDF loans	50,000	131,706	50,000	131,706
	52,652	134,280	52,652	134,280

	CRT Group		CRT	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due after more than one year:				
LDF loans	75,000	123,275	75,000	123,275
Amounts owed to Holy Trinity Brompton	423,861	357,693	423,861	357,693
	498,861	480,968	498,861	480,968

HTB liaised with the contractors for the repair and restoration works at St Jude's, and all amounts paid by HTB were charged through to CRT. These amounts are shown in creditors above. There is neither an interest rate nor repayment terms attached to this outstanding balance owing to HTB (which is largely as a result of the repair and restoration work).

A loan was entered into with the London Diocese in 2017, with £200,000 received in December 2017. The loan bears an interest rate of 2% over the Bank of England base rate (0.10% at the end of 2020). The loan was for the sole purpose of repair of St Jude's spire and tower and is underwritten by the PCC of HTB (both capital and interest). The repayment schedule ended on 31 December 2020 and therefore no balance was outstanding at the year end. A second loan agreement with the London Diocese was signed in 2017 and £250,000 was drawn down in February 2018. The loan bears an interest rate of 2% over Bank of England base rate (0.10% at the end of 2020). The loan was also for the sole purpose of repair of St Jude's spire and tower and is also underwritten entirely by the PCC of HTB. The repayment schedule ends in 2023 and £125,000 remains outstanding at the year end.

6. SUBSIDIARY

On 8 March 2010 CRT acquired the sole share in Holy Trinity Brompton Developments Ltd (HTBDL), a private limited company registered in England and Wales (registered number 5559730). The transactions for the full financial year of 2020 have been consolidated in these financial statements. HTBDL has no contracts in progress.

7. ANALYSIS OF NET ASSETS BY FUND	CRT Group	Unrestricted funds	Designated funds	Restricted funds	Total 2020	Total 2019
		£	£	£	£	£
Fixed Assets		-	7,798,374	-	7,798,374	7,979,754
Current assets		17,167	-	-	17,167	18,740
Current liabilities		(2,652)	(50,000)	-	(52,652)	(134,280)
Long-term liabilities		(423,861)	(75,000)	-	(498,861)	(480,968)
Fund balance		(409,346)	7,673,374	-	7,264,028	7,383,246

	CRT	Unrestricted funds	Designated funds	Restricted funds	Total 2020	Total 2019
		£	£	£	£	£
Fixed Assets		-	8,031,902	-	8,031,902	8,218,842
Current assets		17,167	-	-	17,167	18,740
Current liabilities		(2,652)	(50,000)	-	(52,652)	(134,280)
Long-term liabilities		(423,861)	(75,000)	-	(498,861)	(480,968)
Fund balance		(409,346)	7,906,902	-	7,497,556	7,622,334

The Church Renewal Trust

Notes to the financial statements For the year ended 31 December 2020

8. DESIGNATED FUNDS

CRT Group	2020 B/fwd	2020 Income	2020 Transfer to unrestricted from designated fund	2020 Closing balance
	£	£	£	£
St Jude's, Courtfield Gardens Fund	7,724,773	-	(51,399)	7,673,374
	7,724,773	-	(51,399)	7,673,374

CRT	2020 B/fwd	2020 Income	2020 Transfer to unrestricted from designated fund	2020 Closing balance
	£	£	£	£
St Jude's, Courtfield Gardens Fund	7,963,861	-	(56,959)	7,906,902
	7,963,861	-	(56,959)	7,906,902

A total profit of £278,009 arose from the cost-plus contract between CRT and HTBDL from 2009-2015. This margin has been capitalised in the charitable company accounts as part of the cost of leasehold improvements and depreciated over the lease term. This margin has been eliminated in the consolidated accounts. Correspondingly the transfer to designated funds in respect of the leasehold improvements and their depreciation includes the margin in the charitable company and excludes it in the group accounts.

9. COMMITMENTS

CRT holds a 125-year lease on the church building, St Jude's Courtfield Gardens from the Diocese of London. This building is used as a theological college by St Paul's Theological Centre and St Mellitus College Trust.

CRT holds a 125-year lease from The Chichester Diocesan Fund & Board of Finance, at a peppercorn rent, on St Peter's, a large church in the centre of Brighton. The building has been leased at a peppercorn rent, to the Anglican Parish of St Peter's Brighton.

10. RELATED PARTIES

Trustee remuneration:

No trustees were paid any remuneration nor were there any reimbursed expenses claimed by the trustees in either 2020 or 2019.

Trustee & Members	Related Directorships/Trusteeship	Remuneration for non-trustee services	Related Party payment	Notes
Miss Tricia Neill	Alpha International (Trustee), Church Revitalisation Trust (Trustee), Holy Trinity Brompton Developments Limited (Director and Member) and St Paul's Theological Centre (Member).	£Nil (2019: £Nil)	£Nil (2019: £Nil)	None
Reverend Nicky Gumbel	Alpha International (Trustee, Member and Chair of the Board), Holy Trinity Brompton (Trustee and Chair of PCC), Church Revitalisation Trust (Trustee, Member and Chair of the Board), Holy Trinity Brompton Developments Limited (Director and Member), St Paul's Theological Centre (Trustee, Member and Chair of the Board) and St Mellitus College Trust (Trustee).	£Nil (2019: £Nil)	£Nil (2019: £Nil)	None
Mr J A Jennings	Alpha International (Member), Holy Trinity Brompton Developments Limited (Trustee and Member) and St Paul's Theological Centre (Trustee).	£Nil (2019: £Nil)	£Nil (2019: £Nil)	None
Reverend Martyn Layzell	Holy Trinity Brompton (Trustee until October 2020) and Holy Trinity Brompton Developments Limited (Member).	£Nil (2019: £Nil)	£Nil (2019: £Nil)	None

The Church Renewal Trust

Notes to the financial statements For the year ended 31 December 2020

Related party transactions:

Related parties	Income	Expenditure	Balance owing to/(from) CRT at year end	Notes
HTB	Donation to CRT £Nil (2019: £Nil)	None	(£423,861) (2019: (£357,693))	HTB managed the costs related to the St Jude's spire repair and restoration in 2017 - 2018 and these are charged through to CRT. As outlined in Note 5, HTB has underwritten the CRT loans from the London Diocese.
HTBDL	Donation of £Nil (2019: £Nil)	None	£Nil (2019: £Nil)	On March 8 2010 CRT acquired the sole share of HTBDL.
SPTC	Donation to CRT £Nil (2019: £30,000) Service charge to CRT £70,000 (2019: £70,000)	None	£Nil (2019: £Nil)	SPTC donated £30,000 in 2019 towards the St Jude's spire tower repair and restoration. In December 2018, SPTC made a commitment to pay £70,000 a year for 10 years (commencing 2019) as a service charge to CRT to fund the deficit on the St Jude's spire restoration project.
Church Revitalisation Trust	Donation of £Nil (2019: £Nil)	£Nil (2019: Grant of £100,000)	£Nil (2019: £Nil)	CRT made a £100k grant to Church Revitalisation Trust during 2019, specified for supporting the development of existing church plants.

11. CONTINGENT ASSETS

The London Diocese has pledged a £250k donation towards the Church Renewal Trust, contingent on successful sale of property they own. The trustees believe that a favourable outcome is probable, however this has not been recognised as a receivable at 31 December 2020 as receipt of the donation is dependent on the occurrence of the sale.

12. SERVICE CHARGE INCOME

On 14 December 2018, the SPTC board agreed to pay CRT for the unfunded costs of the St Jude's spire repair work. These payments could be accelerated at the SPTC board's discretion, however the original intent was for SPTC to pay CRT £70,000 per annum, over a period of 10 years starting in 2019. The contingent asset (disclosed in note 11 above) has the potential to reduce SPTC's service charge commitment to end mid 2025, although at this stage no adjustment has been made and the current expected timescale is ending in 2028, as follows:

	CRT Group		CRT	
	2020	2019	2020	2019
	£	£	£	£
Not later than one year	70,000	70,000	70,000	70,000
Later than one year but not later than five years	280,000	280,000	280,000	280,000
Later than five years	210,000	280,000	210,000	280,000
	560,000	630,000	560,000	630,000

13. POST BALANCE SHEET EVENTS

There have been no post balance sheet events for The Church Renewal Trust for the year ended 31 December 2020.