

B.H.CHRISTIAN WORKERS' TRUST
(A Charitable Company Limited by Guarantee)

Trustees Report and Financial Statements

For the Year ended 31 December 2020

Unaudited
(but Independently Examined)

Company Number 7657532

Charity Number 1142493

Report and Financial Statements for the Year Ended 31 December 2020

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Directors / Trustees:

The Trustees who have acted throughout the year and to the date of this report are:-

Appointed:

Mr J. E. Puttock (Chairman & Company Secretary)
Mrs J. K. Champ
Mr T Cristin

Ex-officio:

The Reverend Canon P. R. Moon *Vicar, Bishop Hannington Church.*

Nominated

Mrs L R Bubloz *Bishop Hannington Church, PCC Nominee*
Mrs N Fry *Bishop Hannington Church, Churchwarden Nominee.*

Treasurer:

Mr I. J. R. Crosthwaite.

Registered office:

Bishop Hannington Church Office, Nevill Avenue, Hove, E Sussex, BN3 7NH.

Company No:

7657532

Charity No:

1142493

Independent Examiner:

J Irvine-Smith FCIE
Independent Examiners Limited, Unit 2, The Broadbridge Business Centre,
Delling Lane, Bosham, W Sussex, PO18 8NF

Principal Bankers:

CAF Bank Limited, 25 Kings Hill Avenue, West Malling, Kent ME19 4TA.

Report of the Trustees for the Year Ended 31 December 2020

The Trustees (who are also the Company directors) present their annual report together with the financial statements for the year ended 31 December 2020.

Structure, Governance and Management

The Trust is a charitable company limited by guarantee registered in England & Wales. The Company is the successor body to the original charity founded in February 1988 and commenced its activities on 1 January 2012. It is registered with the Charity Commission for England and Wales.

The number of Trustees shall be not less than three and not more than eight. Trustees are appointed for a period of five years and are eligible for re-appointment. The current Trustees are due to retire as follows: Jane Champ on 31 May 2022, John Puttock on 31 May 2023, Luella Bubloz and Trevor Cristin on 16 June 2024 and Naomi Fry on 17 November 2024. The Trustees shall consist of a) a person nominated by the Parochial Church Council of Bishop Hannington Memorial Church, Hove, ("BH"), (Luella Bubloz), b) a person nominated by the Churchwardens of the Parish of BH, (Naomi Fry), c) the Vicar, Priest in charge or the incumbent of any new benefice which includes the whole or part of the present benefice, (Phil Moon), and d) a person nominated by an existing member. All Trustees must be on the electoral roll of BH and subscribe to the Statement of Faith in the schedule of the Memorandum and Articles of Association.

The Company is limited by guarantee and hence no shares have been issued. Each Trustee is also a member of the Company and there are no other members. In the event of the Company being wound up or otherwise dissolved, the liability of the members by way of guarantee is limited under Clauses 6 and 7 of the Memorandum of Association to an amount not exceeding £1 each.

Only one Trustee, Phil Moon, has any beneficial interest in the Company, by way of an arm's length rental agreement to enable the Company to provide housing for one of its employees. The Company wishes to express its gratitude to Phil and Anna Moon for their generosity in offering their property to the Company on such beneficial terms. See Note 11.

The Chairman and the Treasurer handle the day to day administration of the Company. The Trustees met three times during the year to review the Company's activities, financial statements and issues relating to the employees. Management Accounts are circulated to the Trustees monthly and other reports are circulated to the Trustees as necessary between meetings.

Objects and Principal Activities for the Public Benefit

The objects of the Company, which are set out in the Articles of Association, are the advancement of the Christian faith by the raising of funds and the employment of Christian workers primarily within the Parish of BH. The majority of the gifts to the Company are provided by the members of BH. The Company also provides accommodation for some of its Christian workers and also holds property to generate income.

All of the employees are engaged as part of the staff at BH and its sister churches, Holy Cross and Goldstone within the parish. In their various roles they all support the objects of the Company. All employees have an annual appraisal to review their work. This year saw no changes to any of the staff at BH, nor at its sister churches.

The Company now owns three properties. Early in 2020 a tenanted property in Hove was gifted to the Company by a couple in the congregation. Although the letting is below market and subject to certain special terms it provides a very welcome source of income and is a very generous and most welcome additional asset. Of the other two properties one is used for the advancement of the Christian Religion by providing premises for a Christian Bookshop, while the other provides accommodation for the Curate of BH and his family.

Report of the Trustees for the Year Ended 31 December 2020 (continued)

Achievements and Performance for the Public Benefit

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the Company's aims and objectives and in planning its future activities. The charitable activities during the year have been similar to those in prior years and primarily relate to the assistance provided to the staff of BH and its sister churches in supporting the ministry, administration and other support services. The activities of BH and its Parish, as part of the Church of England, are available to all those of whatever background who wish to attend and participate in its services and activities.

Policy on Reserves and Powers of Investment

Although the Memorandum of Articles and Association give the Trustees unrestricted powers of investment, no such investments are currently held. As already indicated above, the Trustees have exercised their powers to own property, both to house Christian workers and to provide income to the Trust. As the regular monthly income is less than the committed monthly expenditure, the Company relies on its reserves, donations and occasional appeals.

Financial Review

As mentioned earlier, we were blessed with the very generous donation of a property in Meadway Crescent from two members of BH. That property was professionally valued at £400,000 and is currently producing monthly rent of £800. While there were some external works required costing £16,335 to date, which exceeded the first year's rent roll of £8,000, it is anticipated that this asset will produce a much needed positive income flow for many years to come.

Excluding this gift, our other income during 2020 was £226,997 (2019 £230,967). That is £3,970 down on last year but still a very encouraging total considering all of the turmoil that Covid-19 has caused. This total income was boosted by the unbudgeted additional rent of £8,000 from 40 Meadway.

Also it is very encouraging to see that the regular giving increased by 0.4% following last year's increase of 2.9% which, although small, is still a very welcome trend. Gift-aid enabled the Company to reclaim £13,378 (2019 £19,518). This is substantially down on last year due to the very generous cash donations in 2019 but it is still a very valuable additional source of income.

The annual rental income from the two original properties totalled £31,000 (2019 £30,294) plus of course the £8,000 received for the 10 months of ownership of 40 Meadway. The rent paid by Books Alive was reviewed towards the end of 2019 such that effective from January 2020 it increased from £12,000pa to £12,250pa with further increases of £250 each year for the next four years. The Company increased the rent on 47 Nevill Avenue by 2.5% from January 2020 and the same increase is agreed for 2021.

Total expenditure at £265,142 (2019 £219,897) was up £45,245. £26,947 of that increase was due to the repairs and refurbishment of 40 Meadway Crescent and 47 Nevill Avenue, the latter due to the usual extra costs every four years on change of curate but this time these were higher than expected. The balance was primarily due to increased staff costs as the provision of some accommodation changed and fees payable to our Independent Examiner for the first time as our higher total turnover now requires us to appoint an approved examiner. The Company made a deficit (excluding the improvement in Endowment Funds) for the year of £38,145 (2019 a surplus of £11,070) compared to a budgeted deficit of £34,882.

The unrestricted net current assets at the year-end stand at £76,460 (2019 £114,605). The Trustees are forecasting deficits over the next three years totalling £48,500, so the Company needs to increase its regular income otherwise these reserves will be depleted very quickly. The Company is still too reliant on its reserves, and donations, which are very unpredictable. This is not an ideal situation. There is a great need to pray for new donors to increase the regular giving in order to get nearer to matching the Company's expenses.

Report of the Trustees for the Year Ended 31 December 2020 (continued)

Risk Management

The following have been identified by the Trustees as potential risks to the Company:

- Donated income and the balance of the reserves are insufficient to meet the employment costs. In the event of these circumstances the Trustees would initially review the possibility of the PCC making an additional grant to the Company, or finding other external funding such as launching an appeal. In the event that these sources were insufficient, consideration would have to be given to a reduction in the number of employees.
- A major fire, or other serious damage, to one of the properties owned by the Company. The buildings of all of the properties owned by the Company are fully insured.
- Lack of compliance with HMRC, Charity Commission and Companies House regulations. Legal advice and our independent examiners along with appropriate seminars for Trustees seek to ensure full compliance.
- An employee taking the Company to a tribunal in relation to a dispute. The Company seeks to follow good employment practices and to deal with any issue in a prompt and appropriate manner.

The Trustees receive a monthly copy of the management accounts and a full financial report at every meeting. The Company's accounts and records are scrutinised by the Independent Examiner annually.

Reserves Policy

The Trustees have considered the level of reserves that it would be prudent to maintain against potential loss of income and consider that £20,000 would be a prudent amount to be provided from the balance of the Unrestricted Fund plus a further £1,000 each year between the change of Curates to cover additional maintenance requirements to the Curate's house (47 Nevill Avenue) every four years.

Future Plans

Salaries will continue to be funded in the main from regular income to the Company and, if necessary, from the funds held in reserve. All staff will continue to work in association with BH and its sister churches and seek to advance the Christian faith.

Conclusion

The Trustees would like to express their appreciation to all who have so generously supported the work of the Company by their prayers and gifts, and to all the employees for their unstinting work in furthering the Company's objective of advancing the Christian faith. All of the staff should be especially congratulated on their extraordinary efforts this year during the unprecedented difficulties caused by the Covid-19 pandemic.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

By Order of the Board

J E Puttock
Director

Date: 12th June 2021

Statement of Trustees' Responsibilities for the Year Ended 31 December 2020

The Trustees are responsible for preparing the annual report and the financial statements of the Trust in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Trustees are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees (who are also Directors of the Company) to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the income and expenditure of the Company for that year. In preparing these financial statements, the Trustees are required:

- To select suitable accounting policies and then apply them consistently;
- To make judgements and estimates that are reasonable and prudent; and
- To prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that show and explain the Company's transactions, disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiner's Report to the Members of B.H. Christian Workers' Trust

I report on the accounts of the Trust for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act'). Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Basis of Independent Examiner's Report

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Charity Independent Examiners, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report, in order to enable a proper understanding of the accounts to be reached.

J Irvine-Smith FCIE
Independent Examiners Limited
Unit 2 The Broadbridge Business Centre
Delling Lane, Bosham, W Sussex, PO18 8NF

17th June 2021

Statement of Financial Activities for the Year Ended 31 December 2020

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
<u>Income & Endowments</u>	1					
Donations and legacies	2	79,954	106,708	400,000	586,662	198,980
Rental income	3	39,000	-	-	39,000	30,294
Interest income		1,335	-	-	1,335	1,693
Total Income & Endowments		120,289	106,708	400,000	626,997	230,967
<u>Expenditure on Charitable Activities</u>						
Staff Costs	4	100,964	106,708	-	207,672	190,800
Property expenses	5	54,799	-	-	54,799	27,492
Training/sundry expenses	6	2,671	-	-	2,671	1,605
Total Expenditure		158,434	106,708	-	265,142	219,897
<u>Net Income before other recognised gains and losses</u>		(38,145)	-	400,000	361,855	11,070
<u>Gains/Losses on Revaluation of Fixed Assets</u>	7	-	-	-	-	-
Net Movement in Funds		(38,145)	-	400,000	361,855	11,070
Funds brought forward		114,605	-	778,500	893,105	882,035
<u>Total Funds Carried Forward</u>		76,460	-	1,178,500	1,254,960	893,105

All amounts relate to continuing activities.

All gains or losses recognised in the year are included in the Statement of Financial Activities.

The notes on pages 10 to 14 form part of these financial statements.

Balance Sheet at 31 December 2020

	Note	2020 £	2019 £
<u>Fixed Assets</u>			
Land and Buildings	7	1,178,500	778,500
Total Fixed Assets		1,178,500	778,500
<u>Current Assets</u>			
Debtors	8	905	1,007
Cash at Bank	9	80,777	117,655
Total Current Assets		81,682	118,662
<u>Liabilities</u>			
Creditors falling due within one year	10	5,222	4,057
Net Current Assets		76,460	114,605
Total Assets less Current Liabilities		1,254,960	893,105
<u>Represented by</u>			
Expendable Endowment Funds	13	1,178,500	778,500
General Funds	13	76,460	114,605
Restricted Funds	13	-	-
Total Funds		1,254,960	893,105

For the year ended 31 December 2020 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The Members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the Board and authorised for issue on:-

12th June 2021.

SIGNED: John Puttock (Director)

SIGNED: Ian Crosthwaite (Treasurer)

Statement of Cash Flows for the year ending 31 December 2020

	Total Funds 2020 £	Total Funds 2019 £
Cash flows from operating activities:		
Net cash provided by/ (used in) operating activities	(48,538)	(18,257)
Cash flows from investing activities:		
Interest income	1,335	1,693
Rental income	39,000	30,294
Investment property expenses	(28,675)	(1,728)
Purchase of property plant and equipment	-	-
Proceeds from sale of investments	-	-
Purchase of investments	-	-
Net cash provided by/ (used in) investing activities	11,660	30,259
Cash flows from financing activities:		
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Receipt of endowment	-	-
Net cash provided by/ (used in) financing activities	-	-
Change in cash and cash equivalents in the reporting period	(36,878)	12,002
Cash and cash equivalents at the beginning of the reporting period	117,655	105,653
Total cash and cash equivalents at the end of the year	80,777	117,655

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Total Funds 2020 £	Total Funds 2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(38,145)	11,070
Adjustments for:		
Depreciation charges	-	-
Property Expenses in Investing Activities	28,675	1,728
Interest Income Shown in Investing Activities	(1,335)	(1,693)
Rental Income Shown in Investing Activities	(39,000)	(30,294)
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in stocks	-	-
(Increase)/decrease in debtors	102	(115)
Increase/(decrease) in creditors	1,165	1,047
Net cash provided by/ (used in) operating activities	(48,538)	(18,257)

Notes to the Accounts for the Year Ended 31 December 2020

Note 1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of these financial statements are as follows:

a) Basis of preparation;-

These financial statements have been prepared on the going concern basis in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective January 2015) ("FRS 102") and the Companies Act 2006. That basis is justified by the year end net current assets of £77,870 which is nearly four times the level of reserves deemed prudent by the Trustees. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Fund accounting;-

Funds held by the Company are either:-

Unrestricted funds General funds which can be used for ordinary purposes, or

Restricted Funds being either (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest; or (b) donations or grants received for a specific object. Any balance remaining unspent at the end of the year is carried forward as a balance on that restricted fund, or

Expendable

Endowment Funds These funds represent properties which the Company has the right to retain. Income arising from these investments may be used as unrestricted funds.

c) Income recognition policies

Items of income are recognised and included in the accounts when all of the following criteria are met;-

- the Company becomes entitled to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the Company;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of:

- the date on which the Company is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to the Company that a distribution will be made ; or
- when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Company and the above criteria have not been met, then the legacy is treated as a contingent asset and only disclosed if material.

d) Interest receivable

Interest on funds held on deposit is included when paid by the bank.

Notes to the Accounts for the Year Ended 31 December 2020 (continued)

Note 1 Accounting Policies (continued)

e) Gift Aid

Income from tax reclaims is included at the same time as the gift to which it relates.

f) Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the Company to make a payment.

g) Assets

Tangible fixed assets are for use by the Company. The three properties are held as mixed motive investments to further the work of the Company and to produce a fiscal return. They are stated at valuation subject to annual reviews.

Note 2 Voluntary Income

	Unrestricted Funds		Restricted Funds		Total	Total
	2020	2019	2020	2019	2020	2019
	£	£	£	£	£	£
Regular giving	55,696	55,456	-	-	55,696	55,456
Donations	10,880	34,575	1,000	2,000	11,880	36,575
From churches in the parish	-	-	105,708	87,431	105,708	87,431
Income Tax recoverable	13,378	19,518	-	-	13,378	19,518
	79,954	109,549	106,708	89,431	186,662	198,980

The aggregate value of giving by the Trustees was £2,484 (2019-£1,680) plus gift aid of £621 (2019-£420).

Note 3 Rental Income

	Unrestricted Funds		Restricted Funds		Total	Total
	2020	2019	2020	2019	2020	2019
	£	£	£	£	£	£
47 Nevill Avenue	18,750	18,294	-	-	18,750	18,294
86 Elm Drive	12,250	12,000	-	-	12,250	12,000
40 Meadow	8,000	-	-	-	8,000	-
Total	39,000	30,294	-	-	39,000	30,294

Note 4 Staff Costs

	Unrestricted Funds		Restricted Funds		Total	Total
	2020	2019	2020	2019	2020	2019
	£	£	£	£	£	£
Gross wages	90,524	90,406	94,040	78,309	184,564	168,715
National Insurance costs	4,204	4,843	5,442	5,007	9,646	9,850
Pension costs	5,991	5,840	6,540	5,606	12,531	11,446
Death in service insurance	245	280	686	509	931	789
Total	100,964	101,369	106,708	89,431	207,672	190,800

All staff are employed for the charitable activities of the Company. No costs are incurred relating to fundraising, administration or governance. At the year-end we had five employees who were full-time, and six were part-time all of whom had pension benefits. There was also one Voluntary Staff Worker ("VSW") who received fixed subsistence only. There were no employees with remuneration (including benefits) greater than £60,000 per annum. The average number of employees including the VSW in 2020 was 12 (2019-11).

Notes to the Accounts for the Year Ended 31 December 2020 (continued)

Note 4 Staff Costs (continued)

From 26th March 2020 the Company furloughed two of the part time employees whose roles involved cleaning the Centre at BH and the Youth & Community Centre in Holmes Avenue. While the Company paid those employees in full, including their employer pension contributions and Death in Service premiums, the Company initially received 80% of their basic wages from HMRC under this scheme. Those employees were subsequently put on the flexible furlough scheme. The total sum recovered to the year-end under these schemes was £3,151.17, which reduced the restricted funds required from the PCC.

The Company is fully compliant with the workplace pension rules and regulations. All employees receive an employer's pension contribution of 7% of their gross income with the majority subscribing to the Company's workplace scheme provided by NEST (the National Employment Savings Trust). Currently there are no compulsory employee contributions.

Note 5 Property Expenses

	Unrestricted Funds		Restricted Funds		Total	Total
	2020	2019	2020	2019	2020	2019
	£	£	£	£	£	£
Rent of 7 Church Court	11,400	11,400	-	-	11,400	11,400
Rent of 85 Holmes Ave	14,724	14,364	-	-	14,724	14,364
Repairs/refurbishment to 47 Nevill Avenue	12,340	1,728	-	-	12,340	1,728
Repairs/refurbishment to 40 Meadway Crescent	16,335	-	-	-	16,335	-
Total	54,799	27,492	-	-	54,799	27,492

Note 6 Training and Sundry Expenses

	Unrestricted Funds		Restricted Funds		Total	Total
	2020	2019	2020	2019	2020	2019
	£	£	£	£	£	£
Professional indemnity insurance premium	638	618	-	-	638	618
Independent Examination	1,410	-	-	-	1,410	-
Property valuation	550	360	-	-	550	360
Sundries	13	39	-	-	13	39
Bank Charges	60	60	-	-	60	60
Advertising for new staff	-	528	-	-	-	528
Total	2,671	1,605	-	-	2,671	1,605

Fees in respect of the Independent Examination were previously £nil as the examination was provided pro bono.

Note 7 Fixed Assets at Valuation

	Freehold land & buildings	2020	2019
	£	£	£
At 1 January	778,500	778,500	778,500
Disposals	-	-	-
Additions	400,000	400,000	-
At 31 December	1,178,500	1,178,500	778,500

Notes to the Accounts for the Year Ended 31 December 2020 (continued)

Note 7 Fixed Assets at Valuation (continued)

	2020 £	2019 £
Freehold Properties:-		
86, Elm Drive, Hove, at valuation	220,000	220,000
47, Nevill Avenue, Hove, at valuation	558,500	558,500
40, Meadway Crescent, Hove at valuation	400,000	-
	1,178,500	778,500

47 Nevill Avenue is re-valued by the Trustees annually in line with known market trends and information available on residential properties in the locality. This year it was agreed to keep its value unchanged. 86 Elm Drive was professionally valued in July 2019 at £220,000 by Sussex Surveyors LLP and the Trustees agreed to keep this value unchanged too. 40 Meadway Crescent was professionally valued by Worthington Rusling Chartered Surveyors in February 2020 at the time of transfer to the Company.

Note 8 Debtors

The Debtor balance of £905 (2019-£1,007) relates to the gift-aid claim for December which was received in full from HMRC on 6th January 2021.

Note 9 Cash at Bank

The day to day cash balances are held at CAF Bank Ltd. The Company also has an instant access account with a balance of £10,000 with Aldermore Bank PLC and a 95 day notice account with Redwood Bank Limited with a balance of £70,000. All of these funds are fully covered by the Financial Services Compensation Scheme.

Note 10 Creditors.

	2020 £	2019 £
Statutory deductions due to HMRC from the December payroll	3,472	3,069
Overtime and back dated pay adjustments	227	834
Employer Pension Contributions accrued in December	113	154
Independent Examination	1,410	-
Total	5,222	4,057

Note 11 Expenses or Other Payments

Effective from 1 May 2013, the Company entered into an Assured Shorthold Tenancy Agreement with one of its Trustees and his wife, the Reverend Canon P. R. and Dr. E. A. C. Moon, to rent their property at 85, Holmes Avenue, Hove. The rent is reviewed on each annual renewal and, effective from 1 May 2020, it was increased to £1,237.02 per month (2019-£1,206.85). The total paid during 2020 was £14,723.56 (2019-£14,364.40). That property is required to house one of the Company's employees and his wife. The rent passing is below the market rent for such a property and the Company will incur no additional costs whatsoever for this property. The Company has the power to enter into this transaction under Section 6(d) (vi) of its Memorandum and Articles of Association. The other Trustees will regularly review the situation.

The Trustees neither received nor waived any emoluments during the year (2019-£Nil).

Notes to the Accounts for the Year Ended 31 December 2020 (continued)

Note 12 Comparative Period SoFA.

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £
<u>Income & Endowments</u>				
Donations and legacies	109,549	89,431	-	198,980
Rental income	30,294	-	-	30,294
Interest income	1,693	-	-	1,693
Total Income & Endowments	141,536	89,431	-	230,967
<u>Expenditure on Charitable Activities</u>				
Staff Costs	101,369	89,431	-	190,800
Property expenses	27,492	-	-	27,492
Training/sundry expenses	1,605	-	-	1,605
Total Expenditure	130,466	89,431	-	219,897
<u>Net Income before other recognised gains and losses</u>	11,070	-	-	11,070
<u>Gains/Losses on Revaluation of Fixed Assets</u>	-	-	-	-
Net Movement in Funds	11,070	-	-	11,070
Funds brought forward	103,535	-	778,500	882,035
<u>Total Funds Carried Forward</u>	114,605	-	778,500	893,105

Note 13 Analysis of Funds

Type	Fixed Assets £	Net Current Assets £	Total £
Expendable Endowment	952,000	-	952,000
Revaluation Reserve	226,500	-	226,500
Restricted	-	-	-
Unrestricted	-	76,460	76,460
Total	1,178,500	76,460	1,254,960

Expendable Endowment Funds represent the valuation of the two properties which the Company received from the previous unincorporated trust in 2012 (£552,000) plus the new property donated to the Company this year. The Revaluation Reserve is the increase in the value of the properties since being owned by the Company. The Company has the unrestricted right to retain these properties and the income arising from them may be used as unrestricted funds.

Restricted funds are received from BH's two sister churches to cover the employment costs of ministers and staff who work at these churches but are employed by the Company. Similarly, restricted funds are received from the PCC to reimburse the Company for the part time employees, the subsistence cost of the VSW, and part of the employment costs of one of the full time employees. Occasionally donations from other sources are received specifically to cover the employment costs of other named employees. All restricted funds received during the year were utilised in compliance with their purposes to support the work of specified employees.