

Charity Registration No. 229226

Company Registration No. 455366 (England and Wales)

CHURCH COMMUNITIES UK

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

CHURCH COMMUNITIES UK
(A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Board of Trustees	Bernard Hibbs Joseph Hine Lael Page Gregory Winter Darlene Keiderling
Secretary	Gregory Winter
Charity Number	229226
Company Number	455366
Registered Office	Darvell Brightling Road Robertsbridge East Sussex TN32 5DR
Auditors	H W Fisher LLP Chartered Accountants Acre House 11/15 William Road London NW1 3ER
Bankers	National Westminster Bank Plc Hastings Branch Havelock Road Hastings TN34 1GW
Solicitors	Bates, Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE

CHURCH COMMUNITIES UK (A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

The Directors of Church Communities UK, who are Trustees for the purposes of charity law, present their Annual Report, which is the directors' report as required by company law, the group strategic report for the company and its subsidiaries, and the audited accounts for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 and comply with the governing document of Church Communities UK, applicable law and requirements of SORP 2015.

LEGAL STRUCTURE AND GOVERNANCE

Church Communities UK, referred to in this Report as "the Order", is a private company limited by guarantee, registered in England and Wales, company number 455366. It is a religious order, registered as a charity, registration number 229226. The Order's governing document is its Memorandum and Articles of Association.

Directors must be Members of Church Communities UK, and are usually elected in a general meeting. Procedures for induction and training of new Directors include resources such as the relevant Charity Commission publications as well as Board Minutes and policies. The Directors were as follows at the date they approved this Report:

Bernard Hibbs
Joseph Hine
Lael Page
Gregory Winter
Darlene Keiderling

The Board is responsible for management of the Order and all Directors are involved in its daily activities. The Board has delegated certain authority to the Finance and Corporate Affairs Committee to ensure sound financial management and regulatory compliance. Like all Members of the Order, Directors and Committee members receive no remuneration or benefit connected with these roles.

OBJECTS

The Objects of the Order, as shown in the governing document, are (in an abridged form):

The advancement of the Christian faith and the promotion of the moral and spiritual welfare of the general public in the public benefit, and in particular

- to further the faith and mission of Jesus Christ and that way of life whose character is church community,
- to establish, develop and support the vocation of church community, made possible through the transforming power of Jesus Christ, that calls believers to live simply and honestly, renounce all worldly goods and devote themselves entirely to an integrated life in the service of Jesus Christ that includes work, worship, apostolic mission, education and family life, recognising that productive labour is a vital aspect of church community life and is, in this context, a religious activity that advances the message of the Christian gospel,
- to keep an open door to all people who desire to participate in and co-operate in the Objects and to give charitable assistance throughout the world, including the support of the principles and practice of the Christian faith in relation to peace, justice, reconciliation and non-violence, community, alleviation of poverty and suffering and the education of children and adults,
- to strengthen the bonds of peace and unity among church communities of the same nature wherever situated.

STRATEGIC REPORT

In deciding what activities the Order should undertake, the Directors have paid due regard to Charity Commission guidance on public benefit. During the year, the Order sought to fulfil its charitable Objects through two main areas of activity: Community Life and Other Charitable Work and Mission.

Community Life

The Directors are satisfied that the most effective way of advancing the Christian faith, and furthering the Objects to benefit the public, is through founding and maintaining church communities. This means demonstrating the faith and teachings of Jesus Christ and his Apostles in everyday life. The church document, *Foundations of our Faith and Calling*, describes this life and its biblical basis. Members live in full community of goods and complete spiritual unity while maintaining an open door for visitors. This is the Order's basic mission to the world and all else is in support of this.

At each of the Order's locations, housing is provided for the families and singles who share in the vocation of community life. Guest accommodation is available, and the communities welcomed a number of visitors during the year. Community members and visitors usually gather for meals and worship meetings at noon or in the evenings, but the COVID-19 pandemic forced many of these activities to be suspended.

Productive labour in community departments is integral to the religious vocation of community life described in the Objects. Members do not work for a salary or any remuneration and receive no pocket money. Rather, in wholehearted devotion to Christ and his church, members attend to their duties, and their needs are met to a simple standard, this being a basic principle of church community life since the time of the Apostles (Acts 2:44-45).

Adults contribute their efforts in various community departments and businesses. For example, members make high quality wooden furniture and educational play equipment that is sold to schools and nurseries through a separate primary purpose trading subsidiary, Community Products (UK) Limited. Other members work in the registered schools, communal kitchen, laundry, garden and other departments. The COVID-19 pandemic had an impact on all these activities, and the Order relied on a dynamic assessment of the risks and opportunities to support members throughout the year.

The land, buildings and equipment at each community require on-going maintenance and improvement. Several renovations and infrastructure improvements that had been put on hold due to the financial impact of COVID-19 were resumed. These improvements included water and electricity systems upgrades, and additions to accommodation. The Order intends to continue work on these projects and other planned maintenance and improvement in the coming year.

Other Charitable Work and Mission

The Order works to further the faith and mission of Jesus Christ through the publishing work, mission journeys, and other charitable work. In some cases the Order conducts these activities and in other cases grants are made to further the work of others. During each year the Directors aim to balance appropriately the efforts and resources that support this wide variety of activities.

Distribution of books, a quarterly magazine, and on-line material under the name "Plough Publishing" is an important means of spreading the Order's message to the general public. During the past year Plough Publishing distributed thousands of books dealing with such topics as forgiveness and reconciliation, marriage, prayer, family life and facing death.

Community members ministered to the varied needs of individuals in nearby towns and villages. As Covid restrictions allowed, members regularly attended local support groups for the elderly, visited nursing homes and hospices;

volunteered at Covid vaccination centres, and volunteered with other charitable organisations which support the vulnerable, the homeless and refugees. In the past year, members have continued to volunteer in Thailand and Myanmar helping churches support refugees or other vulnerable people. These are just a few examples of the Order's many activities undertaken at each community.

Charitable Grants: The Order fulfils its charitable Objects through the two areas of activity described above. The Order is not a grant-making charity. Nevertheless, during the year and to the extent surpluses remain after carrying out the activities described above, the Order made grants to support other charities in their work for education, reconciliation, alleviation of poverty and social need, and other mission activity within the UK and abroad. The Board has delegated authority to the Finance and Corporate Affairs Committee to approve grants of up to £25,000 and any larger grants that are part of an arrangement already approved by the Board.

Collaboration with Church Communities network: To apply available resources to best effect in advancing its Objects, the Order collaborates with other organisations within the Church Communities network in support of the vocation of church community, apostolic mission and charitable giving.

Volunteers: The Directors recognise the efforts of all volunteers. Most of them are community members who participate daily in all aspects of communal living as a religious vocation.

REVIEW OF FINANCIAL POSITION

Designated Funds: At 31 March 2021, the Order's unrestricted funds (£34,015,360) include a designated Fixed Asset Fund of £ 29,318,610 which is the value of the Charity's tangible fixed assets. This land, buildings and equipment is essential to the vocation of church community life and its benefit to the public. This designated fund is not readily available for expenditure.

Reserves Policy: In setting the Reserves Policy, the Directors have decided that the Order should hold a minimum of £1,000,000 to ensure continuity of funding for the activities undertaken directly by the Order and the capital expenditure relating to the real property that supports these activities.

Subsidiaries: As stated in the Objects, productive labour is a vital aspect of church community life. Therefore the wholly-owned trading subsidiary, Community Products (UK) Limited, fulfils one of the primary purposes of the Order. Trading under the brand name "Community Playthings", it manufactures and sells high quality educational equipment and furniture. While the trading subsidiary is legally distinct from the Order, the common work it provides to members is an integral part of community life. Pursuant to the terms of a Deed of Covenant, it donates its profits to the Order, thereby providing the primary source of funding for all charitable activities. The Directors recognise that provision of meaningful work for community members and visitors is one of the most important goals of the manufacturing efforts. The Order has another subsidiary, Brightling Services Ltd, which provides services to the group and donates its profits to the Order.

Strategic Risks: The Directors regularly identify and assess the major risks to which the Order is exposed. The Board has identified loss of income or catastrophic loss of assets as the most significant strategic risk faced by the Order. The Board has established systems to mitigate all risks, including strategic risks, and is satisfied that it has taken all steps reasonably practicable to minimise the impact such events would have on the Order. Day-to-day risk management is the responsibility of the Finance and Corporate Affairs Committee. This year, the Covid-19 pandemic presented operational risks, requiring additional community precautions to protect members' health including closure of the Order's schools and suspending travel and many charitable and missionary activities. The Directors also urgently addressed the associated financial consequences of Covid-19, such as reduced trading income, spending controls, and consideration of UK government support schemes. The Directors consider the measures implemented are adequate to address the extraordinary challenges arising from current situation, and are confident that the Order is well placed to continue as a going concern.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the Directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

AUDITORS

In accordance with section 485 of Companies Act 2006, a resolution proposing that H W Fisher be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the Board of Directors:



Bernard Hibbs



Lael Page

Dated: 10 December 2021

CHURCH COMMUNITIES UK

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who are also the directors of Church Communities UK for the purpose of company law, are responsible for preparing the 'Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

A combination of Company Law and Charity 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 charity and of the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that year.

In preparing these accounts, 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006 and the Charities act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHURCH COMMUNITIES UK

(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHURCH COMMUNITIES UK

Opinion

We have audited the accounts of Church Communities UK (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the consolidated and charity statement of financial position, the consolidated and charity cash flow statement and the notes to the accounts, 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, 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 accounts:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2019 and of the group's incoming resources and application of resources, 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 the accounts section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts 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 charity'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 accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

CHURCH COMMUNITIES UK

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the accounts are prepared is consistent with the accounts; and
- the strategic report and the directors' report included within the trustees' report have 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 group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity's accounts 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the group's and parent charity'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 but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, Companies Act 2006

CHURCH COMMUNITIES UK

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in any significant accounting estimates
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted, designated and restricted funds.
- Performing a physical verification of key assets and stock items (including testing of the stock system).
- Obtaining third-party confirmation of material bank and loan balances.
- Documenting and verifying all significant related party and consolidated balances and transactions.
- Reviewing documentation such as the charity board minutes for discussions of irregularities including fraud.
- Testing all material consolidation adjustments.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**CHURCH COMMUNITIES UK
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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 auditors' 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.

Sailesh Mehta (Senior Statutory Auditor)
for and on behalf of H W Fisher LLP

**Chartered Accountants
Statutory Auditor**
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

10 December 2021

CHURCH COMMUNITIES UK
(A COMPANY LIMITED BY GUARANTEE)

GROUP/CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 March 2021

	Notes	Unrestricted funds £	Designated funds £	Total funds 2021 £	Unrestricted funds £	Designated funds £	Total funds 2020 £
Income from:							
Donations and legacies	2	1,430,781	-	1,430,781	2,175,576	-	2,175,576
Charitable activities	3	17,939,883	-	17,939,883	18,809,348	-	18,809,348
Other trading activities	4	6,393	-	6,393	299,511	-	299,511
Investment income	5	83,867	-	83,867	10,025	-	10,025
Total Income		19,460,925	-	19,460,925	21,294,461	-	21,294,461
Expenditure on:							
Charitable activities	6	21,507,245	-	21,507,245	20,102,580	-	20,102,580
Tax	10	27,833	-	27,833	16,782	-	16,782
Total expenditure		21,535,079	-	21,535,079	20,119,362	-	20,119,362
Net income/(expenditure)		(2,074,154)	-	(2,074,154)	1,175,099	-	1,175,099
Transfers between funds		108,207	(108,207)	-	-951,469	951,469	-
Currency translation adjustment		771		771	9,967		9,967
Net movement in funds		(1,965,176)	(108,207)	(2,073,383)	233,597	951,469	1,185,066
Fund balances at 1 April 2020		6,661,925	29,426,818	36,088,743	6,428,329	28,475,349	34,903,677
Fund balances at 31 March 2021		4,696,750	29,318,610	34,015,360	6,661,925	29,426,818	36,088,743

All amounts derive from continuing activities.

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

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CHURCH COMMUNITIES UK
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED AND CHARITY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021
COMPANY NUMBER: 455366

	Notes	Group 2021 £	2020 £	Charity 2021 £	2020 £
Fixed assets					
Tangible fixed assets	11	30,511,237	30,799,225	29,318,610	29,426,818
Investments	12	-	-	1,777,681	1,777,681
Total Fixed Assets		30,511,237	30,799,225	31,096,291	31,204,499
Current assets					
Stocks	14	2,054,895	1,828,381	20,302	30,246
Debtors	15	1,708,979	1,391,021	1,349,116	3,264,304
Cash at bank and in hand		4,017,735	3,568,700	1,180,632	1,306,683
Total Current Assets		7,781,610	6,788,101	2,550,050	4,601,233
Liabilities					
Creditors: amounts falling due within one year	16	2,553,368	1,498,583	398,593	431,053
Net current assets		5,228,242	5,289,518	2,151,457	4,170,180
Total assets less current liabilities		35,739,479	36,088,743	33,247,748	35,374,679
Creditors: amounts falling due after more than one year	21	1,946,812	-	-	-
Net assets		33,792,668	36,088,743	33,247,748	35,374,679
Income funds					
Unrestricted funds:		-	-	-	-
Designated funds		29,318,610	29,426,818	29,318,610	29,426,818
Other charitable funds		4,474,057	6,661,925	3,929,138	5,947,861
Total Funds	17	33,792,668	36,088,743	33,247,748	35,374,679

The accounts were approved by the Board of Trustees on 10 December 2021.



Bernard Hibbs
Trustee



Lael Page
Trustee

CHURCH COMMUNITIES UK
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CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by operating activities	19	(515,145)	2,736,790
Cash flows from investing activities:			
Interest received		4,042	10,025
Payments to acquire tangible fixed assets		(1,627,795)	(2,401,465)
Receipts from sales of tangible fixed assets		<u>594,380</u>	<u>8,000</u>
Net cash used by investing activities		(1,029,374)	(2,383,440)
Cash flows from financing activities:			
Cash inflows from new loans		<u>2,000,000</u>	<u>-</u>
Net cash received from financing activities		2,000,000	-
Changes in Cash and Cash Equivalents in the Reporting Period		455,481	353,350
Effect of exchange rate changes on cash		<u>(6,446)</u>	<u>10,700</u>
Movement in net cash		<u>449,035</u>	<u>364,051</u>
Cash and Cash Equivalents Brought Forward		<u>3,568,700</u>	<u>3,204,649</u>
Cash and Cash Equivalents Carried Forward		<u><u>4,017,735</u></u>	<u><u>3,568,700</u></u>

CHURCH COMMUNITIES UK
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Church Communities UK is a private charitable company limited by guarantee incorporated in England and Wales. The registered office is Darvell, Brightling Road, Robertsbridge, East Sussex, TN32 5DR.

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”), “Accounting and Reporting by Charities” the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006. The Charity is a Public Benefit Entity as defined by FRS 102.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

The Charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charity, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The Charity has therefore taken advantage of exemptions from the following disclosure requirements for parent charity information presented within the consolidated financial statements:

- Section 7 ‘Statement of Cash Flows’ – Presentation of a statement of cash flow and related notes and disclosures.
- Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues’ – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument.

1.2 Basis of consolidation

The consolidated accounts of the Group incorporate the accounts of Church Communities UK and its subsidiary undertakings Brightling Services Limited and Community Products (UK) Limited. The subsidiaries have been consolidated on a line by line basis in accordance with section 9 of FRS 102. A separate Statement of Financial Activities (SoFA) for the Charity excluding consolidated organisations is not presented as the Order has taken advantage of the provisions of section 24 of the SoRP.

1.3 Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, as the trading subsidiary has continued to provide the Charity with sufficient income to cover its activities. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

NOTES TO THE ACCOUNTS (CONTINUED)
NOTES TO THE CONSOLIDATED ACCOUNTS

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds are reserves for which no specific use was specified by a third party, but for which the trustees have allocated to a particular charitable purpose as deemed appropriate.

1.5 Incoming resources

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Trading income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Government grants, which include the amounts received from the Coronavirus Business Interruption Loan Scheme that cover interest and fees payable to the lender, are recognised at the fair value of the grant received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. The income is recognised in other income on a systematic basis over the periods in which the associated costs are incurred, using the accrual model.

1.6 Resources expended

Resources expended are recognised on an accruals basis. Management and administration expenses represent central establishment costs.

Grants payable are accounted for when the Trustees have accepted a legal or moral obligation to make a donation.

Costs are allocated to their relevant activity based on management's assessment of which activities were primarily responsible for incurring those costs

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets with a cost of £2,000 or more are capitalised and are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of assets less estimated residual value of each asset on a straight-line basis over its expected useful life as follows:

Freehold property	2% straight line
Plant and machinery	between 10% and 50% straight line
Motor vehicles	between 10% and 25% straight line
Utilities (included within freehold property)	between 2% and 50% straight line
Roads (included within freehold property)	between 2% and 7% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.8 Investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Investments (continued)

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Financial Activity for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Stock and work in progress

Stock and work in progress are stated at the lower of cost and net realisable value except finished goods which are valued at 50% of sales price in order to incorporate an element of fixed and variable overheads. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

The purchase cost of raw materials is calculated on a first in first out basis. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

1.11 Cash and cash equivalents

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

1.12 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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 in the financial statements, with the net amounts presented in the accounts 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.

NOTES TO THE ACCOUNTS (CONTINUED)
NOTES TO THE CONSOLIDATED ACCOUNTS

1.12 Financial instruments (Continued)

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.13 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

1.14 Deferred tax

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is charged or credited in the Statement of Financial Activity, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.15 Critical accounting estimates and judgements

In the application of the charity's accounting policies, required to make judgements, 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees do not believe there to be judgements or estimates that would be considered critical to the financial statements.

CHURCH COMMUNITIES UK
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Total 2020
	£	£	£	£	£	£
	Current Period		Current Period	Prior Period		Prior Period
Incoming donations from members	285,623	-	285,623	290,018	-	290,018
Other incoming donations	-	-	1,145,159	-	-	1,885,558
	285,623	-	1,430,781	290,018	-	2,175,576

3 Charitable activities

As stated in the Objects, productive labour is a vital aspect of church community life and is, in this context, a religious activity. The Charity is the sole shareholder of Community Products (UK) Limited, a business in which the community members carry out primary purpose trading: manufacture and sale of high quality educational equipment and furniture. This subsidiary donates its taxable profits to the Charity each year under a deed of covenant. Its trading results for the year, as extracted from the audited financial statements, are summarized below.

	Community Products (UK) Ltd and subsidiary	Charitable trading	Total 2021	Community Products (UK) Ltd and subsidiary	Charitable trading	Total 2020
	£	£	£	£	£	£
Turnover						
Sales of goods	17,563,563	367,868	17,931,431	18,796,678	-	18,796,678
Plough publications	-	8,452	8,452	-	12,670	12,670
Turnover	17,563,563	376,320	17,939,883	18,796,678	12,670	18,809,348

Turnover analysed by geographical area is as follows:

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Other charitable funds				
USA	18,423	140,987	-	-
UK	17,118,325	17,464,906	376,320	12,670
Rest of the World	803,135	1,203,455	-	-
	17,939,883	18,809,348	376,320	12,670

4 Other trading activities

	Charitable trading	Total 2021	Total 2020
	£	£	£
Exchange rate gain/loss	(127,990)	(127,990)	165,533
Other income	134,384	134,384	133,979
	6,393	6,393	299,511

CHURCH COMMUNITIES UK
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

5 Investment income

	Unrestricted funds £	Total 2021 £	Unrestricted funds £	Total 2020 £
Interest income	83,867	83,867	10,025	10,025
	<u>83,867</u>	<u>83,867</u>	<u>10,025</u>	<u>10,025</u>

6 Resources expended on charitable activities

	Community life £	Charitable work & mission £	Primary purpose trading £	Total 2021 £
Activities undertaken directly				
General living costs	2,268,400	-	-	2,268,400
Property improvements	142,112	-	-	142,112
School and education	327,146	-	-	327,146
Travel	606,164	-	-	606,164
Other charitable activities	-	193,193	-	193,193
Cost of sales	-	-	10,533,570	10,533,570
Distribution costs	-	-	1,472,658	1,472,658
Administrative expenses	-	-	588,116	588,116
Depreciation	995,937	-	-	995,937
Gain/(Loss) on disposal of assets	(83,085)	-	-	(83,085)
	<u>4,256,673</u>	<u>193,193</u>	<u>12,594,344</u>	<u>17,044,211</u>
Grant funding of activities				
Grants to institutions	-	4,324,498	-	4,324,498
	-	<u>4,324,498</u>	-	<u>4,324,498</u>
Share of governance costs	21,060	-	-	21,060
Share of support costs	117,476	-	-	117,476
	<u>4,395,210</u>	<u>4,517,691</u>	<u>12,594,344</u>	<u>21,507,245</u>

	Community life £	Charitable work & mission £	Primary purpose trading £	Total 2020 £
Prior Year Activities undertaken directly				
General living costs	2,650,625	-	-	2,650,625
Property improvements	77,302	-	-	77,302
School and education	409,309	-	-	409,309
Travel	1,412,811	-	-	1,412,811
Breaking the cycle	-	22,418	-	22,418
Other charitable activities	-	246,806	-	246,806
Cost of sales	-	-	10,953,665	10,953,665
Distribution costs	-	-	1,863,807	1,863,807
Administrative expenses	-	-	552,940	552,940
Depreciation	995,778	-	-	995,778
Gain on disposal of assets	(4,280)	-	-	(4,280)
	<u>5,541,545</u>	<u>269,224</u>	<u>13,370,411</u>	<u>19,181,181</u>
Grant funding of activities				
Grants to institutions	-	742,216	-	742,216
	-	<u>742,216</u>	-	<u>742,216</u>
Share of governance costs	27,710	-	-	27,710
Share of support costs	151,473	-	-	151,473
	<u>5,720,728</u>	<u>1,011,440</u>	<u>13,370,411</u>	<u>20,102,580</u>

CHURCH COMMUNITIES UK
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

6 (Continued) Resources expended on charitable activities

Grant funding for community life was made to support other communities. Grant funding for Charitable work and mission was provided to organisations in the the UK and abroad, to support their work for peace, justice, reconciliation and non-violence; the alleviation of poverty and suffering; the education of children and adults; and community and apostolic mission. To apply available resources to best effect in advancing this charitable work and mission, the Charity collaborates with other organisations within the Church Communities network which are established for purposes similar to those of the Charity. These entities maintain their own separate governing boards and financial reporting systems.

Direct activities include founding and maintaining church communities, which the Charity considers to be the most effective means of furthering its charitable objects. Grants were made from surplus funds, but in terms of strategic priorities, the Directors do not consider grant making to be a material component of the Charity's charitable activities. This is despite the fact that amounts granted may be significant when resources are available. A list of grants made to particular institutions is available by means of a separate publication upon written request to the Directors at the registered office.

7 Governance and support costs

	Governance		Support	
	2021	2020	2021	2020
	£	£	£	£
Audit	21,060	27,710	-	-
Legal and professional	-	-	71,632	74,361
Administrative expenses	-	-	45,844	77,112
	21,060	27,710	117,476	151,473

Included within support costs are fees of £nil (2020: £nil) paid to the auditors in respect of taxation related services. All of the above support and governance costs have been allocated to charitable activities – community life.

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, nor were they reimbursed any expenses.

9 Employees and employment costs

Number of employees

There were no employees during the year. (2020: No Employees)

10 Tax on profit of ordinary activities

Church Communities UK is a charity registered in the UK, charity number 229226. The charity has no liability to corporation tax. Corporate tax charges incurred by its subsidiaries are as shown in the Statement of Financial Activities.

CHURCH COMMUNITIES UK
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

11 Tangible fixed assets

Group	Freehold property	Plant and machinery	Motor vehicles	Assets in course of construction	Total
	£	£	£	£	£
Cost					
At 1 April 2020	33,696,220	5,706,596	1,042,140	46,380	40,491,336
Additions	909,699	303,502	96,633	317,962	1,627,795
Transfers	3,182	36,981	-	(40,163)	-
Disposals	(608,970)	(887,019)	(45,914)	-	(1,541,903)
At 31 March 2021	34,000,131	5,160,059	1,092,859	324,179	40,577,228
Depreciation					
At 1 April 2020	5,594,295	3,263,526	834,290	-	9,692,111
Charge for the year	677,439	642,194	91,439	-	1,411,072
On disposals	(168,108)	(826,483)	(42,602)	-	(1,037,193)
At 31 March 2021	6,103,626	3,079,238	883,127	-	10,065,990
Net book value					
At 31 March 2021	27,896,505	2,080,821	209,732	324,179	30,511,237
At 31 March 2020	28,101,925	2,443,070	207,850	46,380	30,799,225
Charity					
	Freehold property	Plant and machinery	Motor vehicles	Assets in course of construction	Total
	£	£	£	£	£
Cost					
At 1 April 2020	33,696,220	2,414,335	1,042,140	4,547	37,157,242
Additions	909,699	86,843	96,633	292,064	1,385,238
Transfers	3,182	1,365	-	(4,547)	-
Disposals	(608,970)	(244,436)	(45,914)	-	(899,321)
At 31 March 2021	34,000,131	2,258,106	1,092,859	292,064	37,643,160
Depreciation					
At 1 April 2020	5,594,295	1,301,840	834,290	-	7,730,425
Charge for the year	677,439	227,059	91,439	-	995,937
On disposals	(168,108)	(191,101)	(42,602)	-	(401,812)
At 31 March 2021	6,103,626	1,337,798	883,127	-	8,324,550
Net book value					
At 31 March 2021	27,896,505	920,308	209,732	292,064	29,318,610
At 31 March 2020	28,101,925	1,112,495	207,850	4,547	29,426,818

CHURCH COMMUNITIES UK
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

12 Investments

	Group Investment in group undertaking	Charity Investment in group undertaking
	£	£
Cost		
At 1 April 2020	-	1,777,681
Additions	-	-
At 31 March 2021	-	1,777,681
Net book value		
At 31 March 2021	-	1,777,681
At 31 March 2020	-	1,777,681

Church Communities UK has a £1,627,679 investment in the shares of Community Products (UK) Limited and a £150,001 investment in the shares of Brightling Services Limited, both being wholly owned subsidiaries and companies registered in England nos. 3498955 and 10683230 respectively. Results for the year are set out below.

	Community Products (UK) Limited		Brightling Services Limited	
	2021	2020	2021	2020
	£	£	£	£
Turnover	16,967,775	18,426,864	186,160	510,640
Cost of sales	(10,439,512)	(10,928,235)	(185,091)	(447,551)
Distribution costs	(1,076,047)	(1,727,905)	-	-
Administrative expenses	(5,594,702)	(5,529,536)	(11,683)	(67,700)
Other income/expenditure	98,555	3,568	(8,175)	5,324
Profit/ (Loss) on ordinary activities before taxation	(43,932)	244,755	(18,789)	714

Income from Community Products (UK) Limited is shown in the consolidated accounts as primary purpose trading, net of Deed of Covenant payable of £4,986,032 (2020: £4,929,447) and rent payable of £325,428 (2020: £312,618) to Church Communities UK and interest received of £81,229 (2020: £3,568) which is included under the heading investment income. Income from Brightling Services Limited is shown net of Deed of Covenant payable of £nil (2020: £52,989).

CHURCH COMMUNITIES UK
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

12 Investments (continued)

	Community Products (UK) Limited		Brightling Services Limited	
	2021	2020	2021	2020
	£	£	£	£
Turnover	16,967,775	18,426,864	186,160	510,640
Expenditure	(17,011,706)	(18,182,109)	(204,949)	(509,926)
Subsidiary income	(43,932)	244,755	(18,789)	714

Subsidiary assets, liabilities and reserves:

	Community Products (UK) Limited		Brightling Services Limited	
	2021	2020	2021	2020
	£	£	£	£
Assets	6,682,305	6,413,566	145,313	244,886
Liabilities	(4,546,760)	(4,234,090)	(13,387)	(94,909)
Subsidiary reserves	2,135,545	2,179,477	131,926	149,977

13 Financial Instruments

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Carrying amount of financial assets	1,602,292	1,236,393	1,319,527	3,242,673
Carrying amount of financial liabilities	2,330,676	1,498,559	385,980	418,492

14 Stocks

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Raw materials and consumables	1,422,455	957,712	20,302	30,246
Work in progress	270,358	263,891	-	-
Finished goods and goods for resale	362,083	606,778	-	-
	2,054,895	1,828,381	20,302	30,246

15 Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	1,551,202	1,150,310	-	-
Amounts owed by group undertakings	-	-	1,285,941	3,208,239
Other debtors	51,090	86,083	33,586	34,434
Prepayments and accrued income	106,687	154,628	29,589	21,631
	1,708,979	1,391,021	1,349,116	3,264,304

Included in debtors are the following amounts due after one year:

Other Debtors	20,896	21,739	4,129	5,064
	20,896	21,739	4,129	5,064

CHURCH COMMUNITIES UK
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

16 Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank Loans	222,692	-	-	-
Payments received on account	359,595	48,850	9,381	-
Trade creditors	1,222,554	1,027,294	352,145	396,280
Taxes	660,890	381,641	-	-1,686
Accruals	87,637	40,798	24,454	23,897
Amounts owed to group undertakings	-	-	12,614	12,561
	2,553,368	1,498,583	398,593	431,053

No provision has been made for deferred tax as the reversal of the timing differences will not result in a tax charge due to the covenanting of profits.

17 Unrestricted funds

	Balance at 1 April 2020	Incoming resources	Movement in funds		Currency translation	Balance at 31 March 2021
	£	£	Resources expended	Transfers	£	£
Designated funds:						
Fixed asset fund	29,426,818	-	-	(108,207)	-	29,318,610
Total for Designated funds	29,426,818	-	-	(108,207)	-	29,318,610
Other charitable funds	6,661,926	19,460,925	(21,535,079)	108,207	771	4,696,750
Total Unrestricted funds	36,088,743	19,460,925	(21,535,079)	(108,207)	771	33,792,668

	Balance at 1 April 2019	Incoming resources	Movement in funds		Currency translation	Balance at 31 March 2020
	£	£	Resources expended	Transfers	£	£
Designated funds:						
Fixed asset fund	28,475,349	-	-	951,469	-	29,426,818
Total for Designated funds	28,475,349	-	-	951,469	-	29,426,818
Other charitable funds	6,428,329	21,294,461	(20,119,362)	(951,469)	9,967	6,661,926
Total Unrestricted funds	34,903,677	21,294,461	(20,119,362)	-	9,967	36,088,743

The Fixed asset fund represents the net book value of the Order's tangible fixed assets at the end of the year.

18 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Total 2021	Unrestricted funds	Designated funds	Total 2020
	£	£	£	£	£	£
Fund balances at 31 March 2021 are represented by:						
Tangible fixed assets	1,192,627	29,318,610	30,511,237	1,372,407	29,426,818	30,799,225
Investments	-	-	-	-	-	-
Current assets	7,781,610	-	7,781,610	6,788,101	-	6,788,101
Creditors	(4,500,180)	-	(4,500,180)	(1,498,583)	-	(1,498,583)
	4,474,057	29,318,610	33,792,668	6,661,925	29,426,818	36,088,743

CHURCH COMMUNITIES UK
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

19 Cash flow information for the group

(a) Net cash inflow from operating activities

	2021	2020
	£	£
Reconciliation to net incoming resources:		
Net incoming resources	(2,074,154)	1,175,099
Adjusted for:		
Depreciation of tangible fixed assets	1,411,072	1,472,473
Interest Income	(83,867)	(10,025)
CBILS Interest expense	26,637	-
Loss/(profit) on disposal of tangible fixed assets	(83,085)	(4,280)
Decrease/(increase) in stocks	(226,515)	(476,946)
Decrease/(increase) in debtors	(317,958)	754,271
Increase/(decrease) in creditors	832,093	(173,069)
Adjustments to equity	632	(734)
Net cash provided by operating activities	(515,145)	2,736,790

(b) Analysis of net cash

	1 April 2020	Cash flow	31 March 2021
	£	£	£
Cash at bank and in hand	3,568,700	449,035	4,017,735
	3,568,700	449,035	4,017,735

Prior Year Analysis of Net Cash

	1 April 2019	Cash flow	31 March 2020
	£	£	£
Cash at bank and in hand	3,204,649	364,051	3,568,700
	3,205,422	363,278	3,568,700

20 Commitments under operating lease

At 31 March 2021 the trading subsidiary, Community Products (UK) Limited, had financial commitments for the provision of warehousing services of £378,000 expiring within one year (2020 : commitments of £378,000 expiring within one year).

At 31 March 2021 the subsidiary Brightling Services Limited had financial commitments for an asset lease of £68,412 expiring within one year (2020: £0).

CHURCH COMMUNITIES UK
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

21 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Charity 2021 £	2020 £
Bank Loans	22	1,724,119	-	-	-
		<u>1,724,119</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Coronavirus Business Interruption Loan held with National Westminster Bank PLC is secured by a debenture over all the Company's assets alongside a guarantee from Church Communities UK in the amount of £2,000,000.

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>167,578</u>	<u>-</u>	<u>-</u>	<u>-</u>
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22 Bank Loans

	Group 2021 £	2020 £	Charity 2021 £	2020 £
Payable within one year	222,692	-	-	-
Payable after one year	1,724,119	-	-	-
	<u>1,946,812</u>	<u>-</u>	<u>-</u>	<u>-</u>

The long-term loan, being the long-term portion of the Coronavirus Business Interruption Loan held with National Westminster Bank PLC, is secured under conditions detailed in Note 21. The loan is repayable over six years, with no interest payable by the Company for the first year, a fixed rate of 2.41% for the following two years, and a variable rate of 2.09% over base rate for the following three years.

23 Post Balance Sheet Events

In August 2021, Church Communities UK purchased land and buildings in Austria totalling £3,551,561 to be used in for its charitable objectives.