

# AQUILA FELLOWSHIP TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The trustees present their report and accounts for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the trust's governing document, the Charities Act 2011 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

#### Structure, governance and management

The trust was established by a charitable trust deed on 31 May 1967.

The trustees who served during the year were:

Mr A P Daniel

Mr D M Thomas

Mrs R M Daniel

Mr S R Parkyn

Mrs G M Parkyn

Mr C G Paxman

(Resigned 31 May 2020)

#### Method of recruitment and appointment of trustees

Names are submitted in the first instance by board members. Potential trustees are then approached formally and invited to express an interest in becoming a trustee.

Candidates are then interviewed and confirmation of their gifting sought from local church leaders.

Candidates may also be recruited for their ability to contribute using their professional skills and which board members feel could add to its skill base.

#### Organisational structure

The charity was founded in 1967 by the trustees then in office and is still governed by its original Statement of Faith of 10 March 1969 (updated 23 August 2010). It has a Board of Trustees nominated, elected and then re-elected at each Annual General Meeting to which members of the public were invited by Zoom this year.

All policy decisions suggested to the Board are then discussed, considered and prayed about prior to a decision by the trustees for them to be adopted. Any suggestions put forward by interested parties or members of the public, whether individually or at the AGM (which is open to the public) will be considered allowing for new ideas and innovation within the board and then collectively agreed. Unanimity is considered essential in such decisions to ensure compliance with scriptural principles (being of one mind).

Kilkhampston Christian fellowship building is still owned by the trust, we continue to have oversight of the outreach centre, covered by our statement of faith and terms of working. Mr Albert Sloman is appointed pastor and overseer of the work from which we receive a peppercorn rent.

The shop manager is in touch with the Board on a weekly basis and is responsible to the Board for the running of all matters relating to the shop i.e. display, stocktaking, has the authority to reduce the price of slower selling stock, staff matters and ensuring rent and utility payments are received in the bank.

Tenancy arrangements in the flat are supervised by the Trust Secretary to ensure compliance with shorthold tenancy law and to safeguard the Trust's ownership rights and responsibilities. The Secretary also has had oversight of flat maintenance inspection.

#### Related parties

The Trust is non-denominational and non-sectarian. It stands separate from any other organisation, whether church or secular.

The trustees have assessed the major risks to which the trust is exposed, and are satisfied that systems are in place to mitigate exposure to those major risks.

# AQUILA FELLOWSHIP TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### Objectives and activities

The trust's objects are:

- to prayerfully encourage enquirers, new, as well as committed Christians, to follow the teaching of the Lord Jesus Christ and to commit more deeply to Him. Christian literature forms a major part of our ministry. Most importantly, we encourage all believers to deepen their faith by studying the Scriptures (the Bible) as well as other authoritative books.
- to encourage them to develop their relationship with other members of the public. This is done through prayer and practical support by the manager and trustees, as well as appointed and supervised volunteers.

The only restricted funds in our accounts at present are those from the Seedbed Trust for the restricted purpose of improving our technology base. Some of that fund was used to update our technology during the year.

The separate, generous legacy received from the estate of our late Chair over the past two years has no restrictions upon it. The legacy has mostly been invested to produce Christian, ethical income at advantageous rates and also used for the recent refurbishment of the shop.

There are no Endowment Funds but significant unrestricted funds which are held in a deposit account held and operated by the Kingdom Trust a Christian organisation offering very competitive rates. Efforts have been made to ensure the Trust divests its financial assets so that no investment falls outside the limits of legal protection for any one investment.

We offer care and support to any members of the public - be that practical or spiritual. This largely becomes known to us by direct approach from anyone who feels in need of support and whom we feel needs and deserves that support. Social, Christian, and prayerful, assessment is used in reviewing their need.

As the pandemic started we were made aware that our local Foodbank in Launceston was struggling to support those who were in need of their services. In the spring we felt it necessary to support the Launceston Foodbank with a financial gift. The Trustees have paid due regard to guidance issued by the charity commission in deciding what activities the trust should undertake.

The policies adopted in furtherance of these objects are mentioned elsewhere in this report and there has been no change in these during the year.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the trust should undertake.

### Activities of the charity

Through the energies of our manager, trustees and volunteers we have a considerable presence in the town and are active in the Chamber of Trade, local (ie largely within churches in the Tamar Valley Area of North and East Cornwall and West Devon). Due to Covid restrictions all our usual events were cancelled.

Following Roslyn Daniel's attendance at a Charity Seminar, the trustees felt it necessary to review and develop our policies to ensure compliance with the latest legal requirements. Trustees Roslyn Daniel and Geraldine Parkyn with input from Mike Stearns (Manager) completed the work which was approved by the other trustees. Mike Stearns completed an online safeguarding training management course to ensure compliance and is compiling a staff/ volunteers handbook.

# AQUILA FELLOWSHIP TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### Achievements and performance

We live in a present age of increased social and spiritual problems associated with a still increasing trend towards secularism. With having a presence in the town we do what we can to counter that trend by friendly engagement wherever and in whatever way we can.

A stall outside the shop with free helpful literature was available and appreciated by numerous passers by. Having a DPD drop off/ collection point in at the shop, along with a printing/ photocopying service available has been an invaluable service to the public.

There has been significant nationwide decline in our type of bookshop over recent years but, with God's help and careful stewardship of resources, we aim to ensure that trend does not impact us too greatly. Both turnover and profitability have nonetheless come under strain in recent years and especially this year as Covid restrictions meant the shop had to close for a number of months, but our presence and ministry are greatly appreciated. People appreciate the quality and range of helpful books, Christian music and DVDs coupled with prompt, helpful attention by the manager and our team of volunteer staff on whom we continue to greatly rely.

We operate an oversight of the outreach centre in Kilkhampton, Devon (under the leadership of Albert Sloman) in accordance with established vision of an independent Christian work in the wider Tamar valley. That Fellowship centre was built and, is still owned by the trust, from which we receive a rent from the associated cottage.

All our work is covered by prayer and we are grateful for provision of resources from God and his people.

A great amount of time and energy, as well as skill and experience, have been committed by our trustees (Peter Daniel and Roger Parkyn) who have expert knowledge in the sphere of work particularly in redesigning and the cost projection of the bookshop basement and otherwise upgrade the facilities. The aim was to remove the downstairs damp problem and occasional strong odours which had resulted in some complaints, while at the same time taking the opportunity to refresh areas that seemed a little "tired" after some twenty years. Stock and some fixtures were removed from downstairs and stored at the home of Mark Thomas. The computer and photocopier were moved upstairs. Plaster and wall coverings were stripped off and the walls were tanked.

The opportunity was taken to expand the office, incorporating the kitchen area. An internal manhole cover and toilet were both replaced. The downstairs was reconfigured using existing fittings and redecorated. Both upstairs and downstairs were re-carpeted as there was evidence of wear after twenty years, especially upstairs.

Lighting on both floors was renewed to provide more modern and energy efficient fixtures. Emergency lighting for downstairs was provided. The boiler was replaced.

Those involved were Peter and Roslyn Daniel, Roger and Geraldine Parkyn, Mark Thomas, Daniel Hair, Mark Avery, David Lewis, Mike Stearns, Mark Davy (Electrician), Neil Sisley (Carpet fitter).

# AQUILA FELLOWSHIP TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### Impact of Covid and Lockdown

The shop (deemed non-essential retail) was closed from 24 March - June and again in November. Sales in 2020 were reduced by some £22,700 overall. Very limited trading was possible in the first lockdown although customers were provided with bible reading by post and other resources when ordered by e-mail.

April and May during lockdown saw only around 15% of anticipated sales (based on previous years), whilst June saw a slow return to shopping at the bookshop and in the town of Launceston generally.

More was possible during November when the government permitted 'click and collect', development of our Facebook page had occurred and opportunities such as articles in local church newsletters were used. As infection rates had increased during October, customers were warned what we would aim to do should a further lockdown occur. The manager worked 'behind closed doors' to continue selling safely and within government guidelines. Nevertheless sales during November were only half the anticipated figures. However December saw an increase of about 10% based on the previous two years which was most welcome.

We lost all of the usual bookstalls except Stilettoes in early March - an estimated 13,200 reduction in sales compared to 2019. With the closure of churches earlier in the year there were losses of sales of church resources to them.

Prior to reopening in June, we had managed to complete the renovations and bring back the stock, complete a Risk Assessment and develop signage etc to permit safe trading. We used this opportunity of the closure of Westgate Street to put out our banner (to draw attention to the shop being open) and a table of free leaflets and New Testaments (weather permitting) which resulted in considerable use.

Chris Paxman (secretary) had indicated his intention to retire, because of hearing difficulties. Details of his faithful service and key role in securing 9, Westgate Street for the Trust are in the reports of the AGM.

### Financial review

Our Total Assets less current liabilities amounted to £292,424. This includes stock of £39,806. An adjusted restricted fund (Seedbed Trust) sum balance at year end of £378 is held for enhancement of our accountancy technology base and internet access.

Although we were happy with the investment with Kingdom Bank, it was in excess of the legally covered limit of £85,000. It was important to seek alternative additional account after making allowance for expenses of the refurbishment and allowing a financial buffer for effects of the lockdowns. It was decided, after research, to deposit £40,000 with United Trust Bank.

Our decision not to furlough our manager allowed him to update his training and continue bookwork at home. Also to oversee the re-carpeting of the shop and restocking of shelves ready for reopening after restrictions were lifted.

Although we knew our income would be reduced we felt it important to continue supporting those in charitable work. In addition we made a gift of £500 to the Launceston Foodbank.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

On behalf of the board of trustees

Mr D M Thomas

Trustee

Dated: 1 September 2021

# AQUILA FELLOWSHIP TRUST

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF AQUILA FELLOWSHIP TRUST

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I report on the accounts of the trust for the year ended 31 December 2020, which are set out on pages 6 to 12.

### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

### **Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 130 of the 2011 Act; and
  - (ii) to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act;have not been met; or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



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Mr Andrew Baker FCA  
20 Western Road  
Launceston  
Cornwall  
PL15 7BA

Dated: 3 September 2021

# AQUILA FELLOWSHIP TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b><u>Incoming resources from generated funds</u></b>					
Donations and legacies	2	3,100	-	3,100	2,600
Activities for generating funds	3	33,718	-	33,718	56,403
Investment income	4	13,667	-	13,667	14,917
<b>Total incoming resources</b>		<b>50,485</b>	<b>-</b>	<b>50,485</b>	<b>73,920</b>
<b><u>Resources expended</u></b>					
<b>Costs of generating funds</b>					
Other administrative costs of generating funds		41,829	40	41,869	33,987
Fundraising trading: costs of goods sold	3	21,039	-	21,039	39,513
		<b>62,868</b>	<b>40</b>	<b>62,908</b>	<b>73,500</b>
<b>Net incoming resources available</b>		<b>(12,383)</b>	<b>(40)</b>	<b>(12,423)</b>	<b>420</b>
<b>Charitable activities</b>					
Grants and donations		8,150	-	8,150	8,125
Governance costs		1,569	-	1,569	1,541
<b>Total resources expended</b>		<b>72,587</b>	<b>40</b>	<b>72,627</b>	<b>83,166</b>
<b>Net expenditure for the year/ Net movement in funds</b>		<b>(22,102)</b>	<b>(40)</b>	<b>(22,142)</b>	<b>(9,246)</b>
Fund balances at 1 January 2020		314,148	418	314,566	323,812
<b>Fund balances at 31 December 2020</b>		<b>292,046</b>	<b>378</b>	<b>292,424</b>	<b>314,566</b>

# AQUILA FELLOWSHIP TRUST

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	10		122,323		122,749
<b>Current assets</b>					
Stocks		39,806		40,213	
Debtors	11	1,777		1,282	
Cash at bank and in hand		130,290		154,589	
		<u>171,873</u>		<u>196,084</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,772)</u>		<u>(4,267)</u>	
<b>Net current assets</b>			170,101		191,817
<b>Total assets less current liabilities</b>			<u>292,424</u>		<u>314,566</u>
<b>Income funds</b>					
Restricted funds	13		378		418
<b>Unrestricted funds</b>			<u>292,046</u>		<u>314,148</u>
			<u>292,424</u>		<u>314,566</u>

The accounts were approved by the Trustees on 1 September 2021

Mr D M Thomas  
Trustee

Mrs G M Parkyn  
Trustee

# AQUILA FELLOWSHIP TRUST

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Charities Act 2011.

#### 1.2 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	20% reducing balance
Fixtures, fittings & equipment	20% reducing balance

#### 1.3 Stock

Stock is valued at the lower of cost and net realisable value.

### 2 Donations and legacies

	2020 £	2019 £
Donations and gifts	3,100	2,600
Donations and gifts		
Unrestricted funds:		
Gift Aid	3,100	2,600
	3,100	2,600

### 3 Activities for generating funds

	2020 £	2019 £
Activities for generating funds	33,718	56,403
Fundraising trading: costs of goods sold	(21,039)	(39,513)
Net Activities for generating funds	12,679	16,890

# AQUILA FELLOWSHIP TRUST

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 4 Investment income

	2020 £	2019 £
Rental income	13,224	13,925
Interest receivable	443	992
	<u>13,667</u>	<u>14,917</u>

### 5 Total resources expended

	Staff costs £	Other costs £	Grant funding £	Total 2020 £	Total 2019 £
<b>Costs of generating funds</b>					
Other administrative costs of generating funds	18,477	23,392	-	41,869	33,987
Fundraising trading: costs of goods sold	-	21,039	-	21,039	39,513
	<u>18,477</u>	<u>44,431</u>	<u>-</u>	<u>62,908</u>	<u>73,500</u>
<b>Total</b>	<b>18,477</b>	<b>44,431</b>	<b>-</b>	<b>62,908</b>	<b>73,500</b>
<b>Charitable activities</b>					
<u>Grants and donations</u>					
Grant funding of activities	-	-	8,150	8,150	8,125
<b>Governance costs</b>	<b>-</b>	<b>1,569</b>	<b>-</b>	<b>1,569</b>	<b>1,541</b>
	<u>18,477</u>	<u>46,000</u>	<u>8,150</u>	<u>72,627</u>	<u>83,166</u>

### 6 Grants payable

	Grants to institutions £	Grants to individuals £	Total 2020 £	Total 2019 £
Grants and donations	6,350	1,800	8,150	8,125
	<u>6,350</u>	<u>1,800</u>	<u>8,150</u>	<u>8,125</u>

# AQUILA FELLOWSHIP TRUST

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 7 Governance costs

	2020 £	2019 £
Other governance costs comprise:		
Accountancy fees	1,150	1,100
Credit card charges	419	441
	<u>1,569</u>	<u>1,541</u>

### 8 Trustees

During the year Mr Parkyn one of the trustees received £4,100 for building work carried out at the Charity's premises.

### 9 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	<u>1</u>	<u>2</u>

#### Employment costs

	2020 £	2019 £
Wages and salaries	<u>18,477</u>	<u>18,482</u>

# AQUILA FELLOWSHIP TRUST

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 10 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2020 and at 31 December 2020	120,616	7,601	23,154	151,371
<b>Depreciation</b>				
At 1 January 2020	-	6,863	21,759	28,622
Charge for the year	-	147	279	426
<b>At 31 December 2020</b>	-	7,010	22,038	29,048
<b>Net book value</b>				
At 31 December 2020	120,616	591	1,116	122,323
At 31 December 2019	120,616	738	1,395	122,749

### 11 Debtors

	2020 £	2019 £
Trade debtors	1,142	1,282
Other debtors	635	-
	<u>1,777</u>	<u>1,282</u>

### 12 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	<u>1,772</u>	<u>4,267</u>

# AQUILA FELLOWSHIP TRUST

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2020 £	Movement in funds		Balance at 31 December 2020 £
		Incoming resources £	Outgoing resources £	
The Seedbed Trust	418	-	(40)	378
	<u>418</u>	<u>-</u>	<u>(40)</u>	<u>378</u>

In 2012 a grant of £6,000 was received from The Seedbed Trust, towards the creation of a website for the charity. By the 31 December 2020 £5,622 had been utilised by the Trust.

### 14 Analysis of net assets between funds

	£	Restricted Funds £	Total £
Fund balances at 31 December 2020 are represented by:			
Tangible fixed assets	122,323	-	122,323
Current assets	171,495	378	171,873
Creditors: amounts falling due within one year	(1,772)	-	(1,772)
	<u>292,046</u>	<u>378</u>	<u>292,424</u>