

**THE CHOLMELEY EVANGELICAL CHURCH
(SECOND CENTURY) TRUST FUND**

Charity Registration Number: 297746

Report and Financial Statements

31 March 2022

THE CHOLMELEY EVANGELICAL CHURCH (SECOND CENTURY) TRUST FUND

Report and Financial Statements 2022

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THE CHOLMELEY EVANGELICAL CHURCH (SECOND CENTURY) TRUST FUND

Legal & Administrative Information For the year ended 31 March 2022

Charity Name	The Cholmeley Evangelical Church (Second Century) Trust Fund.
Governing Document	The Trust is an unincorporated trust, established by a Declaration of Trust on 27 May 1987.
Charity Registration No.	297746
Affiliations	Evangelical Alliance; Partnership (UK) Ltd (up to 31 December 2022)
Principal Address	272 Archway Road, Highgate, London N6 5AU.
Trustees	<p>The Trustees who served during the year and who were still serving at the date of this report were:</p> <p>Patricia Chinyoka Roger Herbert Compton Neil William Summerton Chairman Michael Hall Treasurer Stephen McQuoid Paula Christine Millard Trevor Currie</p>
Key Management Personnel	Those persons having responsibility for controlling, directing and planning the activities of the trust, and/or having significant responsibility for the day-to-day running of the Trust, are the Trustees, and Alistair Hornal and Mark Davies as the elders of the church, and Izak van den Bergh (Pastor/Team Leader) and Peter Barker (Community Evangelist).
Bankers	NatWest Bank Swiss Cottage (A) Branch 106 Finchley Road London NW3 5JN
Independent Examiner	John Helm ACA Tandem Accounting Limited 17 Heathville Road London N19 3AL

THE CHOLMELEY EVANGELICAL CHURCH (SECOND CENTURY) TRUST FUND

Report of the Trustees For the year ended 31 March 2022

The Trustees submit their report and the financial statements of the Cholmeley Evangelical Church (Second Century) Trust Fund ("the Trust") for the year ended 31 March 2022. The financial statements have been prepared in the format prescribed by the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP2019 (FRS102)) and the Financial Reporting Standard 102. The legal and administrative information set out in page 2 of this document forms part of this report.

I. Structure, Governance & Management

I.1 The Governing Document and supersession by Highgate International Church [CIO]

A Declaration of Trust on 27 May 1987.

In 2020 the Trust successfully instigated the establishment of a Charitable Incorporated Organisation (CIO) to take over the operations and assets of the Trust. The CIO came into being on registration by the Charity Commission on 30 October 2020 under the name of Highgate International Church (HIC). In the course of 2021 the steps were taken to transfer the responsibilities and assets of the Trust to the CIO. The purposes of the change have been to provide the charity with an up-to-date constitutional instrument, to give better protection to the charity and its Trustees, and to avoid costly property transfers when the identity of Trustees changes. The Trustees, who are the Trustees of both the CIO and the Trust, had agreed that the Trust should remain in being in case there are legacies which have been made in the name of the Trust.

The transfer of 143 and 145 Park Road N8 and 16 Despard Road N19 (properties held for the benefit of the Trust) was not completed until October 2021, and the establishment of bank accounts for the CIO was not completed until June 2021. Only thereafter was it possible for the CIO to begin to take over the operations and activities which were formerly the responsibility of the Trust. The legal agreement with Church Growth Trust with respect to the occupation of 272 Archway Road N6 remains on behalf of Cholmeley Evangelical Church (Second Century) Trust, and it is the intention that this should be replaced by an agreement between Church Growth Trust and the CIO which is in the process of being drafted. Accordingly, this is a separate report and statements of financial activities for the Trust for 2021–22, but, in line with the accounting advice relevant to these circumstances, the results are consolidated into the separate first report and statements of financial activities of the CIO, which are for the period 30 October 2020–31 March 2022.

For the time being, the Trustees continue to meet as Trustees of both the CIO and the Trust, but care is being taken to be clear about capacity in which the Trustees are taking decisions, and separate minutes are being kept of the two bodies.

The church congregation (the main group by which the work of the Trust is done on the ground) is led by elders who, with others, comprise the Church Leadership Team. Appointments of new elders and other members of the Leadership Team are made on recommendation by the Leadership Team to the Trustees, after consultation with the congregation.

Meetings of Trustees are attended, in an advisory capacity, by Mark Davies, Alistair Hornal, and Izak van den Bergh, while two Trustees (Patricia Chinyoka and Paula Millard) are also members of the Church Leadership Team.

I.2 Trustees

The Trustees meet approximately 5 times per annum (and additionally as necessary) either in person or by teleconference and discuss a full agenda relating to the charitable activities, governance, risk management, buildings and finance, and other matters for which they are responsible.

The number of Trustees must not be less than four. New Trustees can be appointed by a resolution supported by a majority of the Trustees present at a meeting of Trustees at which there is a majority of the Trustees present.

The induction process for any newly-appointed Trustee comprises an initial meeting with the existing Trustees, to give the latter the opportunity to explain the background and evolution of the activities of the Trust and expected future developments. Those appointed normally have some prior familiarity with the activities of the Trust. Information provided to joining Trustees includes:

- copies of the most recent reports and financial statements

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Report of the Trustees For the year ended 31 March 2022

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- a copy of the constitution of the Trust
 - a copy of the Trust Deed of the Trust
 - direction to the Charity Commission's guidance, 'The Essential Trustee'
 - direction to relevant guidance from the Charity Commission on public benefit, particularly that relating to public benefit and the advancement of religion.

None of the Trustees receives remuneration.

The day-to-day leadership and running of the congregation is in the hands of the Church Leadership Team, comprising the elders and others responsible for the various ministries and activities, who are in turn supported by in particular a buildings team. The Church Leadership Team reports regularly to the Trustees through the elders who are in attendance at trust meetings.

1.3 Risk Management

The Trustees have considered the major risks to which the Trust is exposed and as far as is practical have established procedures, and taken action, to manage those risks. There is in being a formal assessment of risks arising in the use of the building at 272 Archway Road, the operational base of the Trust's main activities. This document is reviewed regularly. Properties are all insured based on estimated rebuilding costs. The Trust is also particularly conscious of its safeguarding responsibilities, and regularly reviews policy and practice on that subject.

2. Objectives, Activities & Strategies

2.1 Objective

The principal objects of the Trust are:

- to use and apply the income and capital of the Trust for such of the charitable purposes as may further the objects of Cholmeley Evangelical Church.
- in the event of the total failure of the Trust, to pay and apply the capital and the income of the Trust Fund to or for such charitable purposes as the Trustees shall in their absolute discretion see fit.

Of the present Trustees, Patricia Chinyoka and Paula Millard are active members of the church. The Trustees consider that the present balance between Trustees who are members of the church and those who are not is appropriate in the circumstances, bearing in mind the ability of present church members to take on the responsibility of trusteeship. The Trustees keep the point under consideration, however, so as to be able to appoint more Trustees who are active members of the church. Three of the four external Trustees are former members of the church and continue to take an active interest in its affairs. The chairman and other Trustees are in regular contact with the other Key Management Personnel named on page 2 of this report.

2.2 Activities & Public Benefit

The main activities of the Trust are responsibility for the activities of the congregation, and to hold and maintain the functional properties which the congregation uses to further its objects. At present, the activities of the congregation (and the principal means by which the Trust gives public benefit) include:

- Sunday meetings worship, fellowship, study of the Word, prayer, and fellowship lunches
- A community café, once a week
- An international outreach café on weekdays, currently once a week
- Parent & toddler activities, currently two sessions per week
- Life Group and Prayer meetings
- Door to door evangelism
- Other fellowship activities

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Report of the Trustees For the year ended 31 March 2022

The Trustees have regard to the Charity Commission's guidance on public benefit. The Commission's revised guidance of 2020 on public benefit has been circulated to the Trustees. The Trust has provided public benefit through the activities of the church; by facilitating the activities of a separate congregation which uses the 272 Archway Road building and (until December 2021) a separate congregation which used Park Road Hall, Crouch End while it was held by the Trust; and through financial support to Christian missionaries in France and Rwanda, and a retired missionary couple now in the USA. The church is involved in developing the life, witness and Christian work of all who fellowship with it and who are in contact with it through its activities, including its work with children, families, young people and the elderly, and through the support of Christian and community work in a range of different places across the world through the work of missionaries with whom the church is associated. The building at 272 Archway Road is also used for other Christian and/or community activities which the church wishes to facilitate, including the North London Recorder Society, Partnership (UK) Ltd (a registered charity) of which HIC was a member church until 31 December 2022, and GLO Europe with which Mark and Shirley Davies and Stephen McQuoid are associated and which places short-term mission teams with the church.

3. Achievements and Performance

The period since 2015 has been one in which the Trustees and church leaders have been seeking to provide new foundations on which the work of the church (which had become very small) could be redeveloped. The input of Mark and Shirley Davies, Paula Millard, Trevor Currie, and Alistair Hornal has been crucial to that. The task was complicated by the COVID-19 pandemic in 2020-21. There have been important changes in the past two years which the Trustees believe will enable a growing congregation to benefit from the groundwork done since 2015.

Between January 2015 and 15 October 2020, two qualified full-time Christian workers (a married couple—Mark and Shirley Davies) occupied the Trust's property at 143 Park Road, the better to enable them to minister in and assist with the work of the church, in addition to other Christian work in which they were engaged. In the period of report, Mark Davies continued to give a considerable proportion of his time to the church, though he also has through GLO Europe a national ministry in the group of churches with which the church is related. (Neither were employed by the Trust as they 'live by faith' in accordance with widespread practice in this group of churches, but there was agreement between the trust and the workers as to the nature and scale of their ministry in HIC while they occupied the Trust's property in order the better to be able jointly to carry out that ministry.) Mark and Shirley vacated this property on 15 October 2020 and shifted to a rented property in East Finchley funded by the Trust, in order to allow 143 Park Road to be occupied by David and Rachel Bell and their family—David Bell being Mark Davies' intended successor as Pastor/Minister and Mission Team Leader in the church. (Mark continued to contribute much to the strategic leadership and administration of the church, and, as things have turned out, continued to do so from the property in East Finchley up to September 2022.)

As from 1 November 2021, following advertisement, Peter Barker was appointed in the role of Community Evangelist, on the basis that the CIO provides accommodation for better performance of duties in the Highgate area, but the worker otherwise 'lives by faith'. He and his family have occupied 143 Park Road, on a 'house for ministry' basis since January 2022. Because of visa and other difficulties, David Bell and his wife concluded in the autumn of 2021 that it was not practical for them to continue in the role which had been envisaged for David, and they decided to conclude their arrangement with the CIO and take up other ministry outside the UK. This required a further search for suitable assistance, and as from 1 September 2022 Izak van den Bergh has taken the role of Pastor/Team Leader, again on a 'house for ministry' basis, supported by his wife, Karla. The CIO has now acquired 324, St John's Way, Archway for this purpose, using the proceeds of the transfer of 145 Park Road to the Ichthus Trust. Mark and Shirley Davies moved away from London in the second week of September 2022, so that the CIO no longer provides funding for accommodation for them. Mark continues to be involved in the leadership and work of the congregation as a consulting elder on an unremunerated basis, visiting Highgate regularly, and the Trustees are grateful for this continuing contribution on his part.

The Trustees hope that the operation has now assembled a stable leadership for the next few years. It is encouraging that in the past year the numbers involved in the worshipping community that is HIC have increased significantly, albeit from a low base.

Consistent with the approach of churches of this type, the ministry of the church is carried on not only by those mentioned in the previous paragraph, but widely by volunteers from within the congregation and also by visiting teachers.

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In 2021-22, in addition to worship, teaching, and fellowship activities, the church continued the international café which is opened to the community one day a week: it offers a friendly place to chat, pray and study the Bible. All kinds of people use this facility, including many who did not know of the existence of or benefit from the church previously. The parent and toddler sessions on two mornings each week continue to provide direct benefit to the many families concerned and many contacts with the community around Archway Road. The numbers participating have recovered from the interruption imposed by the pandemic. By both means, every opportunity is taken to advance the Christian faith as well as provide pastoral and practical support to users as necessary. In addition, the Community Evangelist has been undertaking door to door evangelism in the Archway Road area and makes contact with both those without faith and Christians who are not at present actively engaged in church life. The other activities of the church have benefitted from these contacts.

Additionally, the Trust has continued to use its functional properties to facilitate the religious and social work of local Christian congregations and para-church bodies, all being uses which the church wishes to assist. The properties and their uses include:

Property	Property type	Ownership	Current usage
272 Archway Road, London N6	Church building	Church Growth Trust Limited: the Cholmeley Evangelical Church (Second Century) Trust is beneficiary of 5/6ths of net proceeds on a future disposal in recognition of the investment by the Trust in rebuilding in the period 1986–90.	The main operational site of the activities of the Trust by way of Highgate International Church. Used from time to time by other para-church bodies, particularly for training purposes, and by other local community groups at below commercial rent. A separate Portuguese-speaking congregation also uses the building for their meetings by agreement with the Trust.
143 Park Road, London N8	Residential property	Freehold	Operational property occupied at nil rent by qualified full-time Christian workers who minister in the church. Transferred to the CIO on 8 October 2021.
145 Park Road, London N8 (Park Road Hall)	Church building	Freehold	Used by a separate congregation at below market rent and for other activities as appropriate. Transferred to the CIO on 8 October 2021 and subsequently transferred to Ichthus Trust on 13 December 2021..
16 Despard Road, London N19	Residential property	Freehold	Let commercially. Transferred to the CIO on 8 October 2021.

The Trust continues to be the counter-party of Church Growth Trust for the occupation of 272 Archway Road, under the agreement of 1993 made with Church Growth Trust's predecessor body. Discussions are in hand to substitute an agreement between Church Growth Trust and the CIO in respect of this continuing occupation of 272 Archway Road.

4. Effects of and response to the COVID-19 pandemic

The disruption of the pandemic continued to affect the activities of the CIO for most of the period up to 31 March 2022, if only through the reluctance of some people to engage in face-to-face activities for some time after the disease became endemic rather than pandemic. These concerns are now receding, but Sunday morning worship in particular continues to be open to interactive remote participation, and some make use of this facility. Some other activities such as prayer and Bible study are available online, and the Trustees generally meet online as some members are located outside London and, since the meetings are held on weekday evenings, online is convenient for all.

5. Financial Review

THE CHOLMELEY EVANGELICAL CHURCH (SECOND CENTURY) TRUST FUND

Report of the Trustees For the year ended 31 March 2022

The year 2021-22 was transitional between the Trust and the CIO. The CIO did not have bank accounts until June 2021 because of the usual delays resulting from regulatory requirements and the bank's processes, and transfer of properties to the CIO was not complete until October 2021. In consequence, all bills had to be settled from the Trust's accounts for the first three months of the financial year, and expenditure on the properties had to be scored to the Trust while they were held on its behalf. As a result, a significant amount of the transactions of the activities as a whole are accounted for by the Trust. However, in line with regulatory requirements, CIO's first report for the period 30 October 2020-31 March 2022 consolidates income and expenditure by the Trust in 2021-22 to give a true and fair view of the total activities of the two charities.

The Trust's main sources of funding are the freewill offerings of church members and property lettings income, the latter contributing much the larger element of its funding.

5.1 Financial Activity and Financial Position

The Statement of Financial Activities and Balance Sheet can be found on pages 11 and 12 respectively. The Trust's reserves decreased by £2,700,513 during the year (2021: increased by £1,363), the reduction being attributable to the transfer to the CIO of the freehold properties which were held for the Trust. The balance sheet shows total net assets of £1,547,803 (2021: £4,248,316).

5.2 Reserves Policy

The Trustees believe that in the grace of God the financial needs of the Trust will be provided as they arise, a belief that has been demonstrated in practice over many years. In principle, the Trustees believe that monies received by the Trust should be used in furtherance of the Trust's objects as soon as is practical and is consistent with the orderly and responsible stewardship of the funds and assets and the work of the Trust.

In the view of this, the Trustees have adopted a policy of maintaining free reserves (being those funds not represented in fixed assets, nor restricted for particular purposes nor earmarked for specific projects) to provide for the anticipated costs of maintaining the properties in a good and safe condition. These costs are difficult to anticipate but regular reviews are undertaken to ensure that any works needed are identified and completed. Legal responsibility for the freehold properties has now passed to the CIO, but the Trust continues for the time being to hold legal responsibility for the occupation of 272 Archway Road for the reasons explained above. At 31st March 2022 the Trust had free reserves of £31,761 (2021: £99,584) as follows:

	2022 £	2021 £
Total reserves	1,547,803	4,248,316
Less: restricted funds	-	(1,644)
Less: fixed assets used for the continuing work of the Trust	(1,516,042)	(4,147,088)
Free reserves	31,761	99,584
Free reserves requirement:		
6 month's budgeted routine expenditure and expected maintenance provision	0	30,000
Anticipated upkeep expenditure on buildings and purchase of furniture	0	20,000
	0	50,000

5.3 Property Maintenance Policy

It is the Trust's policy to maintain and improve its buildings to a good standard. As a result of transfer to the CIO, this responsibility is now confined to the obligations arising from occupation of 272 Archway Road. The cost of repairs and maintenance is included under premises costs within resources expended on charitable activities in the Statement of Financial Activities. The Trustees review maintenance and improvement responsibilities for 272 Archway Road on a regular basis, retaining professional advisors as necessary to maintain the property. The Trustees will retain reserves which are sufficient to ensure that they can continue to maintain the property in a good, safe condition—though going forward it is intended to transfer the responsibility to the CIO.

THE CHOLMELEY EVANGELICAL CHURCH (SECOND CENTURY) TRUST FUND

Report of the Trustees For the year ended 31 March 2022

5.4 Grant Making Policy

The Trust has from time to time in consultation with the church made grants to support mission both in the UK and abroad.

5.5 Value of input by volunteers

The charitable work of the Trust and the church for which it is responsible depends to a very large extent on the work of volunteers—and it should be noted too that the group of churches of which the church forms a part has a long tradition in which Christian ministry in the home churches is an unpaid, non-professionalised activity. At least four of the trustees devote considerable time each month to the work of the Trust and church, and the church is highly dependent on the work of a range of other volunteers, including those who serve as elders of the church and in the church Core Leadership Team. It would be of questionable accuracy (and could be potentially divisive between volunteers) to seek to put a monetary value on this work.

6. Responsibilities of Trustees for the Financial Statements

The Trustees are responsible for preparing the report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its financial activities for that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the activities of the charity will continue.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011. Trustees 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.

8. Approval

The report of the Trustees was approved by the Trustees on 21 January 2023 and signed on its behalf by:

Michael Hall
Trustee

THE CHOLMELEY EVANGELICAL CHURCH (SECOND CENTURY) TRUST FUND

Report of the Independent Examiner to the Trustees of The Cholmeley Evangelical Church (Second Century) Trust Fund

I report on the financial statements of The Cholmeley Evangelical Church (Second Century) Trust Fund for the year ended 31 March 2022, set out on pages 10 to 17.

This report is made solely to the Trustees in accordance with section 145 of the Charities Act 2011 (the Act). My independent examination has been undertaken so that I might state to the Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by the law, I do not accept responsibility to anyone other than the Trust and the Trustees for my independent examination, for this report, or the opinions I have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The Trustees consider that an audit is not required for this year under section 144(2) of the Act and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts (under section 145 of the Act);
- To follow the procedures laid down in the General Direction given by the Charity Commission (under section 145(5)(b) of the Act); and
- To state whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S STATEMENT

My examination was carried out in accordance with General Directions given by the Charity Commissioners. 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 the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

INDEPENDENT EXAMINER'S STATEMENT

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

1. accounting records were not kept in respect of the church as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

John Helm ACA
21 January 2023

THE CHOLMELEY EVANGELICAL CHURCH (SECOND CENTURY) TRUST FUND

Statement of Financial Activities For the year ended 31 March 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestrict ed Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Income from:	2						
Donations and legacies		2,139	916	3,055	10,446	3,951	14,397
Charitable activities		117	-	117	-	-	-
Other trading activities		32,057	-	32,057	47,664	-	47,664
Total Income		34,313	916	35,229	58,110	3,951	62,061
Expenditure on:							
Raising funds	3	8,803	-	8,803	9,922	-	9,922
Charitable activities	4	2,724,379	2,560	2,726,939	47,006	3,770	50,776
Total Expenditure		2,733,182	2,560	2,735,742	56,928	3,770	60,698
Net gains/(losses) on investments		-	-	-	-	-	-
Net (expenditure)/income		(2,698,869)	(1,644)	(2,700,513)	1,182	181	1,363
Transfers between funds		-	-	-	-	-	-
Other recognised gains/(losses)		-	-	-	-	-	-
Net movement in funds		(2,698,869)	(1,644)	(2,700,513)	1,182	181	1,363
Total funds brought forward		4,246,672	1,644	4,248,316	4,245,490	1,463	4,246,953
Total funds carried forward		1,547,803	0	1,547,803	4,246,672	1,644	4,248,316

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Balance Sheet As at 31 March 2022

	Note	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Fixed Assets					
Tangible Assets	5	1,516,042	-	1,516,042	4,147,088
Current Assets					
Debtors	6	1,650	-	1,650	10,839
Cash At Bank And In Hand		31,371	-	31,371	93,167
		33,021	0	33,021	104,006
Creditors - Amounts Falling Due Within One Year	7	1,260	-	1,260	2,778
Net Current Assets		31,761	0	31,761	101,228
Net Assets		1,547,803	0	1,547,803	4,248,316
Represented by:					
Unrestricted Income Funds		1,547,803	-	1,547,803	4,246,672
Restricted Income Funds	8	-	-	-	1,644
		1,547,803	0	1,547,803	4,248,316

The financial statements were approved by the Trustees on 21 January 2023 and signed on its behalf by:

Michael Hall
Trustee

THE CHOLMELEY EVANGELICAL CHURCH (SECOND CENTURY) TRUST FUND

Notes to the Financial Statements For the year ended 31 March 2022

I. Accounting Policies

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

Basis of accounting

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting.

The Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

There are no material uncertainties about the Trust's ability to continue as a going concern and accordingly the accounts have been drawn up on a going concern basis.

Income recognition

Voluntary income and donations (including legacies) are accounted for once the Charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Income from the recovery of tax on gift aided donations is accounted for in the period to which the relevant donation is received.

The income from trading activities includes rental income from the letting of church premises and freehold land and buildings which is accounted for when earned. It is shown gross, with the associated costs included in fundraising costs.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the bank.

Expenditure recognition

Expenditure is accrued as soon as a liability is considered probable, and the amount of obligation can be measured reliably. Longer term liabilities are discounted to present value. The Trust is not registered for VAT and accordingly expenditure includes VAT where appropriate.

Charitable expenditure includes those costs in fulfilling the Trust's principal objects, as outlined in the Report of the Trustees. These include grants payable and governance costs:

- Grants payable are payments made to third parties in furtherance of the Trust's objects. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.
- Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice. These costs include costs related to the independent examination and legal fees.

Tangible Fixed Assets

Tangible fixed assets are accounted for as follows:

- Freehold and leasehold land and property is included at fair value. Depreciation is not provided on freehold property as the estimated residual value is considered to be the same or higher than the carrying value of the property in the accounts.
- The cost of office equipment and motor vehicles, less any expected residual value, is depreciated on a straight line basis over the effective useful life of the asset, which has been estimated as four years.

THE CHOLMELEY EVANGELICAL CHURCH (SECOND CENTURY) TRUST FUND

Notes to the Financial Statements For the year ended 31 March 2022

1. Accounting Policies (continued)

Debtors

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors and provisions

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

Fund accounting

The funds held by the charity are either:

- Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2. Income

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Total 2021 £
Donations & legacies				
Offerings and donations	1,926	815	2,741	12,112
Income tax reclaimed	216	101	314	2,285
	<hr/> 2,139	<hr/> 916	<hr/> 3,055	<hr/> 14,397
Charitable activities				
Tots & Toddlers	117	-	117	-
Other trading activities				
Lettings income	30,937	-	30,937	47,664
Other	1,120	-	1,120	-
	<hr/> 32,057	<hr/> 0	<hr/> 32,057	<hr/> 47,664
	<hr/> 34,313	<hr/> 916	<hr/> 35,229	<hr/> 62,061

THE CHOLMELEY EVANGELICAL CHURCH (SECOND CENTURY) TRUST FUND

Notes to the Financial Statements For the year ended 31 March 2022

3. Expenditure – Raising Funds

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Let properties:				
Agents management fees	2,728	-	2,728	4,524
Maintenance	4,660	-	4,660	3,270
Insurance	1,196	-	1,196	1,291
Utilities	219	-	219	837
	8,803	-	8,803	9,922

4. Expenditure – Charitable Activities

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Church life & outreach				
Gross salaries	3,326	-	3,326	4,324
Employer pension contributions	220	-	220	213
Non salaried workers	200	-	200	2,405
Accommodation	8,280	-	8,280	8,280
Meetings & services	148	-	148	1,573
Café	408	-	408	2,376
Tots & toddlers	132	-	132	659
Other	278	-	278	702
Gifts	750	-	750	5,420
Grants – Highgate International Church	2,701,207	2,560	2,703,767	-
	2,714,949	2,560	2,717,509	25,952
Office costs				
Postage & stationery	7	-	7	50
Telephone & internet	1,202	-	1,202	1,605
Insurance	148	-	148	124
Computer consumables	54	-	54	192
Payroll processing	519	-	519	575
Professional fees	-	-	-	-
Other	473	-	473	831
	2,403	-	2,403	3,377
Church building & facilities				
Utilities	2,197	-	2,197	9,150
Insurance	1,717	-	1,717	2,549
Maintenance, cleaning & equipment	1,245	-	1,245	7,754
Ground rent	275	-	275	270
Depreciation	393	-	393	524
	5,827	-	5,827	20,247
Governance costs				
Independent examination	1,200	-	1,200	1,200
	2,724,379	2,560	2,726,939	50,776

THE CHOLMELEY EVANGELICAL CHURCH (SECOND CENTURY) TRUST FUND

Notes to the Financial Statements For the year ended 31 March 2022

4. Expenditure – Charitable Activities (continued)

There were 2 (2021: nil) employees.

None of the Trustees received any remuneration or were reimbursed any expenses in the year (2021: £nil).

5. Tangible Fixed Assets

	Freehold land & buildings £	Leasehold land & buildings £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 April 2021	2,630,000	1,516,042	20,017	4,166,059
Additions	-	-	-	-
Disposals (to Highgate International Church)	(2,630,000)	-	(20,017)	(2,650,017)
At 31 March 2022	0	1,516,042	0	1,516,042
Depreciation				
At 1 April 2021	-	-	18,971	18,971
Charge For Year	-	-	393	393
Disposals (to Highgate International Church)	-	-	(19,364)	(19,364)
At 31 March 2022	0	0	0	0
Net Book Value				
At 31 March 2022	0	1,516,042	0	1,516,042
At 31 March 2021	2,630,000	1,516,042	1,046	4,147,088

Property Valuations

Property	Property type	Valuation	Valuation Basis
272 Archway Road, London N6	Church building	1,516,042	£250 per square foot. Valuation represents the Trust's share
143 Park Road, London N8	Residential property	950,000	Local sold and current for sale valuations as comparators
145 Park Road, London N8	Church building	580,000	Professional valuation undertaken by Julian Lewis & Co dated 13 November 2014 (£250 per square foot)
16 Despard Road, London N19	Residential property	1,100,000	Local sold and current for sale valuations as comparators

THE CHOLMELEY EVANGELICAL CHURCH (SECOND CENTURY) TRUST FUND

Notes to the Financial Statements For the year ended 31 March 2022

6. Debtors

	2022 £	2021 £
Gift Aid receivable	314	1,496
Prepayments	1,137	2,738
Other debtors	199	6,605
	<u>1,650</u>	<u>10,839</u>

7. Creditors - Amounts Falling Due Within One Year

	2022 £	2021 £
Accruals	<u>1,260</u>	<u>2,778</u>

8. Restricted Funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	Gains/ (losses) £	At 31 March 2022 £
8a Current year						
Mission	<u>1,644</u>	<u>916</u>	<u>-</u>	<u>(2,560)</u>	<u>-</u>	<u>0</u>
8b Prior year						
Mission	<u>1,463</u>	<u>3,951</u>	<u>3,770</u>	<u>-</u>	<u>-</u>	<u>1,644</u>

Mission Fund – funds received specifically for supporting the church's various mission partners.

9. Related Party Transactions

Certain of the Trustees incur costs on behalf of the Trust which are reimbursed on presentation of invoices.

Mr Alistair Hornal, a Key Management Person, received £200 (2021: £605) in his role as consultant elder and chairman of the church Leadership Team.

Mr Mark Davies, a Key Management Person, lived in accommodation owned by the Trust rent free until 15 October 2020. Thereafter, so as to allow the Mission Team Leader (designate) and his family to occupy 143 Park Road, they occupied rented property and the charity meets the rental cost. As explained in the second paragraph in section 3 of the trustee report, he and his wife provide teaching and pastoral services to the church.

THE CHOLMELEY EVANGELICAL CHURCH (SECOND CENTURY) TRUST FUND

Notes to the Financial Statements For the year ended 31 March 2022

9. Related Party Transactions (continued)

Mr Neil Summerton, a Trustee, and Mr Mark Davies are also trustees of Partnership (UK) Ltd which until 31 December 2022 encouraged and served some 150 member churches similar to HIC. The church was a member of Partnership and pays an annual subscription of £100.

In so far as trustees give to support the work of the Trust, they do so at least in part anonymously out of respect for biblical principles relating to Christian giving (e.g., Matthew 6: 1–8); the aggregate amount of donations by trustees is therefore not known, and, even if it were known to those keeping the church's accounts, it would not be appropriate to publish it