

REGISTERED CHARITY NUMBER: 1015793

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
CLC INTERNATIONAL (UK)**

**Berringers LLP
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA**

CLC INTERNATIONAL (UK)

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for the year ended 31 March 2021**

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CLC INTERNATIONAL (UK)
REFERENCE AND ADMINISTRATIVE DETAILS
for the year ended 31 March 2021

TRUSTEES J Watkins (chair)
G Chamberlin
W MacKenzie
Mrs E Dowey
W Owen
Mrs L Owen
P Dalton

PRINCIPAL ADDRESS Unit 5
Glendale Avenue
Sandycroft
Deeside
CH5 2QP

**REGISTERED CHARITY
NUMBER** 1015793

AUDITORS Berringers LLP
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

CLC INTERNATIONAL (UK)

REPORT OF THE TRUSTEES for the year ended 31 March 2021

The trustees present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Charitable Activities

The purpose of CLC International (UK) (hereafter referred to as CLC) is the propagation of the Christian Gospel by the sale and distribution of Bibles and Christian literature. CLC recognises Christian literature to be one of the most effective means for the evangelisation of the world and the edification of the church and seeks to help meet the worldwide need for Christian literature true to the Word of God and the fundamentals of the Christian faith. The trustees have continued to adopt policies to meet the objectives of CLC in furthering those aims in the sale and distribution of Bibles and Christian literature throughout the world.

CLC engages volunteers and paid employees throughout the UK to work within the bookshops, the wholesale facility, a website and in management and administrative roles in order to sell and distribute Bibles, Christian literature, and other Christian resources. Such members receive no salary from the charity, but rely on gifts received by the charity together with personal gifts to enable them to carry out its charitable objectives.

Public benefit

The trustees have had regard to Charity Commission guidance on public benefit and consider that the objectives, aims and achievements of the charity described in the report enable it to meet its duty to the Charity Commission as per section 17 of the Charities Act 2011, and to the benefit of the public.

Financial Support to CLC Members

Where reserves are available in the Mission Fund, CLC provides financial support to some of its members. CLC is not under a legal obligation to make such payments, and such financial support that is received is not remuneration for voluntary services. The policy for dividing the Mission Fund amongst members is determined by the trustees.

ACHIEVEMENT AND PERFORMANCE

Review of the Development Activities and Achievements and Future Plans

The year has been unprecedented and challenging due to the significant impact of the coronavirus and governmental lockdown restrictions imposed in order to counter its spread and damage on public health, the economy, and businesses.

Government measures resulted in the total closure of UK Christian bookshops for a considerable period of time resulting in turnover being dramatically reduced. Sales of Christian products being £101,716 compared to £1,652,464 the previous financial period. This also reflected the closure of a number of owned shops where leases were terminated or not renewed.

Sales of products were also impacted by the strategic merger between CLC and Kingsway Trust as previously reported where Branch sales are now made. This is shown as zero now compared to £1,726,462 for the previous financial period.

The trustees would like to acknowledge the tremendous work and dedication of the exec team in managing the whole process of implementing safe working procedures and caring for all employees. Likewise the trustees would also like to record the tremendous work and efforts of all employees and the sense of unity, belonging, and commitment evident throughout the pandemic.

During the year the charity has received local Business Support grants of £115,643 and £62,674 of Government grants under the Coronavirus Job Retention Scheme to cover employees furloughed. The charity has also received a £50,000 Business Bounce Back Loan repayable over 5 years.

Despite the pressure and challenges on trading conditions because of the pandemic the trustees have been greatly encouraged by the generous and unexpected legacy of a residential property.

During the year two residential properties, surplus to requirements, were also sold.

CLC INTERNATIONAL (UK)

REPORT OF THE TRUSTEES for the year ended 31 March 2021

FINANCIAL REVIEW

Financial position

Total resources expended includes accommodation costs relating to properties rented by CLC and made available to a trustee and the volunteers to enable them to meet the obligations under the constitution of CLC in furthering the aims of CLC in the sale and distribution of Bibles and Christian literature. Accommodation costs include rent, rates and light and heat and the amounts paid by CLC for the members are disclosed separately in the financial statements. Some members also live in properties owned by CLC and no rents are charged. The accommodation arrangement is by permission of the trustees.

The financial accounts disclose that the total income for the year ended 31 March 2021 totalled £834,216, a decrease of £2,884,738, with income from trading activities accounting for £101,716 (2020: £3,378,926). After taking into account direct and overhead trading costs, as well as grants and exceptional items, the charity made a net surplus of £305,548 (2020: £3,760,490 deficit).

The trustees have revalued the properties based on current market conditions and the current state of properties to fair value at the balance sheet date. The last professional valuation of the properties was carried out in 2014. However, management have used online resources and informal talks with local agents to revalue the portfolio of properties and consider this to be a sufficiently accurate method for the purposes of valuation.

The unrestricted fund consists of the general fund and the revaluation fund and totalled £4,111,816 at the year end, an increase of £268,910 on the previous year and a reflection of the charitable activities during the year.

The level of reserves is continually under review to ensure that adequate reserves are always available. The reserves at 31 March 2021 stood at £4,307,124, with freely available reserves deemed to stand at £4,111,816. This is to ensure that the Charity can meet its objectives, and the trustees are satisfied that on a fund for fund basis, CLC have sufficient assets to fulfil the obligations of the Charity.

The total restricted funds held at the balance sheet date totalled £195,308 (2020: £158,670), and the balance is restricted to the Mission Fund, as contributions to volunteers' living expenses.

The revaluation fund totalling £1,915,411 at 31 March 2021 (2020: £2,335,217) can only be realised upon the sale of properties to which it relates.

Going concern

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

CLC International (UK) was founded in 1941 by way of a Trust Deed as an international and inter-denominational Charity.

Recruitment and appointment of new trustees

There can be up to nine CLC trustees of which at least two must not be CLC members. Appointments are for a term of five years. New trustees are appointed by the existing trustees at a special meeting which may be called by the chair, or any two trustees, at any time on giving at least fourteen days notice.

Organisational structure

All senior appointments are made by the trustees. Day to day management is under the control of the Leadership Team but clearly defined "major decisions" are the province of the trustees alone.

Risk Assessment

The risks which might result in harm or injury to personnel or create situations that might threaten the day to day effective continuation of the CLC ministry are subject to review by the Leadership Team on behalf of the trustees. This is an on-going exercise with regular assessments undertaken to ensure risks are minimised.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

CLC INTERNATIONAL (UK)

REPORT OF THE TRUSTEES
for the year ended 31 March 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

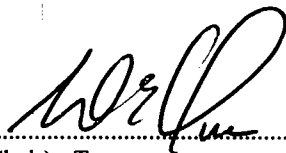
The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the charities constitution. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on10/11/21..... and signed on its behalf by:


.....
W Owen (Chair) - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF CLC INTERNATIONAL (UK)

Opinion

We have audited the financial statements of CLC International (UK) (the 'charity') for the year ended 31 March 2021 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its 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 Charities Act 2011.

Basis for qualified opinion

Due to Covid-19 restrictions we were unable to observe the counting of physical stock at the year end. We were unable to satisfy ourselves by alternative means concerning the stock quantities held at 31 March 2021, which are included in the balance sheet at £41,655, by using other audit procedures. Consequently we were unable to determine whether any adjustment to this amount was necessary.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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.

Key audit matters

Except for the matter described in the basis for qualified opinion section, we have determined that there are no key audit matters to be communicated in our 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 financial statements and our Report of the independent auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the stock quantities of £41,655 held at 31 March 2021. We have concluded that where the other information refers to the stock balance or related balances such as cost of sales, it may be materially misstated for the same reason.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF CLC INTERNATIONAL (UK)

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Arising solely from the limitation on the scope of our work relating to stock, referred to above;

- We have not obtained all the information and explanations that we considered necessary for the purposes of our audit; and
- We were unable to determine whether adequate accounting records have been kept.

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the trustees is inconsistent in any material respect with the financial statements; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

We have been appointed as auditors under Section 144 of the Charities Act 2011 and section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the independent auditors 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and error, we considered the following:

- the nature of the industry, control environment and business performance;
- results of our enquiries to management about their own assessment of the risks of fraud and error;
- the matters discussed among the audit engagement team regarding how and where fraud may occur in the financial statements and any potential indicators of fraud.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
CLC INTERNATIONAL (UK)**

Our procedures to respond to risk include the following:

- reviewing the financial statement disclosures and testing to supporting documentation;
- performing analytical procedures to identify any unusual or unexpected areas that may indicate risks of material misstatement due to fraud or error;
- addressing the risk of fraud and error through management override of controls, testing the appropriateness of journals, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Allan BSocSc FCA (Senior Statutory Auditor)
For and on behalf of Berringers LLP
Chartered Accountants
and Statutory Auditors
Lygon House
50 London Road
Bromley
Kent
BR1 3RA

Date: 10 November 2021

CLC INTERNATIONAL (UK)

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	Year Ended 31.3.21 Total funds £	Period 1.2.19 to 31.3.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	362,561	135,778	498,339	170,039
Sale of Bibles & Christian Literature	3	101,716	-	101,716	3,378,926
Investment income	4	151	-	151	703
Other income	5	<u>234,010</u>	<u>-</u>	<u>234,010</u>	<u>169,286</u>
Total		698,438	135,778	834,216	3,718,954
EXPENDITURE ON					
Charitable activities	7				
Sales of Bibles & Christian Literature	6	264,323	-	264,323	3,152,259
Support costs	8	125,779	-	125,779	1,037,352
Distributions to members		-	99,140	99,140	110,484
Exceptional item	12	<u>35,611</u>	<u>-</u>	<u>35,611</u>	<u>3,179,349</u>
Total		425,713	99,140	524,853	7,479,444
NET INCOME/(EXPENDITURE)		272,725	36,638	309,363	(3,760,490)
Other recognised gains/(losses)					
Gains/(losses) on revaluation of fixed assets		<u>(3,815)</u>	<u>-</u>	<u>(3,815)</u>	<u>-</u>
Net movement in funds		268,910	36,638	305,548	(3,760,490)
RECONCILIATION OF FUNDS					
Total funds brought forward		3,842,906	158,670	4,001,576	7,762,066
TOTAL FUNDS CARRIED FORWARD		<u>4,111,816</u>	<u>195,308</u>	<u>4,307,124</u>	<u>4,001,576</u>


The notes form part of these financial statements

CLC INTERNATIONAL (UK)

BALANCE SHEET
31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	15	3,260,548	-	3,260,548	3,434,188
CURRENT ASSETS					
Stocks	16	41,655	-	41,655	165,193
Debtors	17	390,175	-	390,175	94,419
Cash at bank and in hand		<u>524,240</u>	<u>198,343</u>	<u>722,583</u>	<u>556,319</u>
		956,070	198,343	1,154,413	815,931
CREDITORS					
Amounts falling due within one year	18	(44,469)	(3,035)	(47,504)	(203,071)
NET CURRENT ASSETS		<u>911,601</u>	<u>195,308</u>	<u>1,106,909</u>	<u>612,860</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,172,149	195,308	4,367,457	4,047,048
CREDITORS					
Amounts falling due after more than one year	19	(45,833)	-	(45,833)	-
PROVISIONS FOR LIABILITIES	22	(14,500)	-	(14,500)	(45,472)
NET ASSETS		<u>4,111,816</u>	<u>195,308</u>	<u>4,307,124</u>	<u>4,001,576</u>
FUNDS	23				
Unrestricted funds:					
General fund				2,196,405	1,507,689
Revaluation fund				<u>1,915,411</u>	<u>2,335,217</u>
				<u>4,111,816</u>	<u>3,842,906</u>
Restricted funds				<u>195,308</u>	<u>158,670</u>
TOTAL FUNDS				<u>4,307,124</u>	<u>4,001,576</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 10.11.21 and were signed on its behalf by:


W Owen (Chair) - Trustee

The notes form part of these financial statements

CLC INTERNATIONAL (UK)

CASH FLOW STATEMENT
for the year ended 31 March 2021

	Notes	Year Ended 31.3.21 £	Period 1.2.19 to 31.3.20 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(376,169)</u>	<u>(2,502,262)</u>
Net cash used in operating activities		<u>(376,169)</u>	<u>(2,502,262)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(3,582)
Sale of tangible fixed assets		492,282	2,585,500
Interest received		<u>151</u>	<u>703</u>
Net cash provided by investing activities		<u>492,433</u>	<u>2,582,621</u>
Cash flows from financing activities			
New loans in year		50,000	-
Loan repayments in year		<u>-</u>	<u>(110,946)</u>
Net cash provided by/(used in) financing activities		<u>50,000</u>	<u>(110,946)</u>
Change in cash and cash equivalents in the reporting period			
		166,264	(30,587)
Cash and cash equivalents at the beginning of the reporting period		<u>556,319</u>	<u>586,906</u>
Cash and cash equivalents at the end of the reporting period		<u>722,583</u>	<u>556,319</u>

The notes form part of these financial statements

CLC INTERNATIONAL (UK)

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 March 2021

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year Ended 31.3.21 £	Period 1.2.19 to 31.3.20 £
Net income/(expenditure) for the reporting period (as per the Statement of financial activities)	309,363	(3,760,490)
Adjustments for:		
Depreciation charges	12,325	51,970
Loss on disposal of fixed assets	15,218	11,456
Interest received	(151)	(703)
Movement in dilapidation provision	(30,972)	(35,786)
Non-cash donations received	(350,000)	-
Decrease in stocks	123,538	1,283,556
(Increase)/decrease in debtors	(295,756)	345,198
Decrease in creditors	(159,734)	(397,463)
Net cash used in operations	<u>(376,169)</u>	<u>(2,502,262)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	<u>556,319</u>	<u>166,264</u>	<u>722,583</u>
	<u>556,319</u>	<u>166,264</u>	<u>722,583</u>
Debt			
Debts falling due within 1 year	-	(4,167)	(4,167)
Debts falling due after 1 year	-	(45,833)	(45,833)
	-	(50,000)	(50,000)
Total	<u>556,319</u>	<u>116,264</u>	<u>672,583</u>

The notes form part of these financial statements

CLC INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The prior year reporting period was extended to 31 March 2020 to bring the year end in line with Kingsway CLC Trust year end therefore the comparative amounts presented in the financial statements are not entirely comparable.

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Turnover from the sales of bibles and Christian literature is brought into account as receivable for the year and excludes VAT.

Donations, legacies and gifts are recognised when received or when CLC becomes legally entitled to them having been notified in writing of both the amount and settlement date. Donations are allocated specifically at the request of the donor, or to the general fund for volunteers. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either of those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

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

Rental income is generated from properties previously held for housing volunteers in areas of the country that the charity no longer has any operations. Currently the charity does not consider the properties to be investment properties, but this may change in future years.

Government Grants

Government grants are recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis, exclusive of any VAT.

Expenditure which is directly attributable to specific activities has been included in these cost categories. Costs have been allocated to specific departments on a usage basis, as a result no further allocation of costs is required. There are no costs to be allocated to the cost of generating voluntary income.

CLC INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2021

1. ACCOUNTING POLICIES - continued

Expenditure

Distributions to volunteers and centres are recognised on commitment to payment and are included in charitable expenditure. Staff costs have been included in charitable expenditure.

Governance costs includes all expenditure not directly related to the charitable activity. These costs include audit fees, conference, meetings and trustees costs and the allocation of establishment and office costs relating to the leadership, administration and finance offices.

Fund accounting

Unrestricted funds comprise of a general fund which can be used in accordance with the charitable objectives at the discretion of the trustees, and a revaluation fund which is realised and transferred to the general fund upon the sale of the revalued property or properties to which the fund relates.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. There are two restricted funds, the mission fund which is restricted to providing financial support to CLC members that are in need, and the vehicle fund, which is used to cover motor expenditure to aid the charity in meeting its objectives.

Allocation and apportionment of costs

In accordance with SORP FRS 102, governance costs have been included within support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit and legal fees together with the apportionment of overhead and support costs.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of businesses in 2015 and 2016, have been fully amortised in the year of acquisition.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- over period of lease
Improvements to property	- at varying rates on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- at varying rates on cost
Computer and office equipment	- 33% on cost

The properties are included in the financial statements at fair value as at the balance sheet date. No depreciation is provided in respect of the freehold properties. This policy of non-depreciation, is, in the opinion of the trustees, necessary for the financial statements to give a true and fair view in accordance with applicable accounting standards as the properties are included in the financial statements at appropriate value. The properties will maintain a long useful economic life and high residual value through the policy of regular maintenance and repair (charges for which are recognised in the Statement of Financial Activities) such that the assets are kept to the previously assessed levels.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from tax on its charitable activities.

CLC INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2021

1. ACCOUNTING POLICIES - continued

Personnel

CLC employs and remunerates staff where required. CLC distributes accommodation costs in respect of some of its non-paid members which are part of the establishment costs as summarised in the accounts. Distributions are restricted specific and general allocations from donations received by the CLC.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charges as incurred.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on property sales are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Charitable activities

Costs of charitable activities include costs in connection with the sale of Bibles and Christian literature, governance costs and an apportionment of support costs as shown in note 8.

Pensions

Employees of the charity may be entitled to join a defined contribution scheme. The costs of the defined contribution scheme are included within support and governance costs and charged to the unrestricted funds of the charity.

The plan is managed by The People's Pension Trustee Limited and invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The pension fund is converted into a pension upon the employee's normal retirement age which is defined as when they are eligible for state pension. The charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

Trade and other debtors

Trade and other debtors are recognised in the accounts at fair value on the date of the transaction. Impairments are recognised in the Statement of Financial Activities in the reporting period.

Trade and other creditors

Trade and other creditors are recognised in the accounts at fair value on the date of the transaction. Impairments are recognised in the Statement of Financial Activities in the reporting period.

Contingent liabilities

A contingent liability is identified and disclosed for those expenses resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation where settlement is either not considered probable; or
- the amount has not been communicated and therefore cannot be estimated reliably.

CLC INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2021

2. DONATIONS AND LEGACIES

	Year Ended 31.3.21 £	Period 1.2.19 to 31.3.20 £
Donations	<u>498,339</u>	<u>170,039</u>

3. SALE OF BIBLES & CHRISTIAN LITERATURE

	Year Ended 31.3.21 £	Period 1.2.19 to 31.3.20 £
Branch retail sales	101,716	1,726,462
Wholesale sales	<u>-</u>	<u>1,652,464</u>
	<u>101,716</u>	<u>3,378,926</u>

4. INVESTMENT INCOME

	Year Ended 31.3.21 £	Period 1.2.19 to 31.3.20 £
Deposit account interest	<u>151</u>	<u>703</u>

5. OTHER INCOME

	2021 £	2020 £
Profit/(loss) on disposal of fixed assets	(15,218)	(11,456)
Rental income	70,911	147,938
Other	-	32,804
HMRC Job Retention Scheme	115,643	-
Business Support Grants	<u>62,674</u>	<u>-</u>
	<u>169,286</u>	<u>169,286</u>

6. Sales of Bibles & Christian Literature

	Year Ended 31.3.21 £	Period 1.2.19 to 31.3.20 £
Opening stock	165,193	1,448,749
Purchases	17,583	1,002,526
Closing stock	(41,655)	(165,193)
Staff costs	119,486	613,433
Packing, postage and carriage	<u>3,321</u>	<u>220,244</u>
Carried forward	263,928	3,119,759

CLC INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2021

6. Sales of Bibles & Christian Literature - continued

	Year Ended 31.3.21 £	Period 1.2.19 to 31.3.20 £
Brought forward	263,928	3,119,759
Sales commission and samples	<u>395</u>	<u>32,500</u>
	<u>264,323</u>	<u>3,152,259</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Support costs	101,497	24,282	125,779
Distributions to members	<u>99,140</u>	<u>-</u>	<u>99,140</u>
	<u>200,637</u>	<u>24,282</u>	<u>224,919</u>

8. SUPPORT COSTS

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost type	Total allocated £	Governance £	Other support £	Apportionment Basis
Establishment costs	66,823	152	66,671	Usage
Travel & motor	2,291	-	2,291	Usage
Advertising	672	-	672	Usage
Printing & stationary	355	-	355	Usage
Subscriptions	45	22	23	Usage
Legal & professional	4,221	725	3,496	Activity
Computer leasing & maintenance	271	-	271	-
International field office contribution	1,275	-	1,275	-
Management recharges	16,353	13,633	2,720	Activity
Other direct costs	28,973	-	23,723	-
Other governance costs	<u>9,750</u>	<u>9,750</u>	<u>-</u>	Usage
	<u>125,779</u>	<u>24,282</u>	<u>101,497</u>	

CLC INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2021

8. SUPPORT COSTS - continued

Governance costs

	2021	2020
	£	£
Establishment costs (above)	152	5,119
General and office expenses (above)	<u>14,380</u>	<u>145,338</u>
	14,532	150,457
Auditors' remuneration	9,750	9,250
Conference/committee expenses	<u>-</u>	<u>11,416</u>
	<u>24,282</u>	<u>171,123</u>

9. AUDITORS' REMUNERATION

The auditor's remuneration constituted an audit fee of £7,500 (2020: £7,000), with additional accountancy services of £2,250 (2020: £2,250).

10. TRUSTEES' REMUNERATION AND BENEFITS

	2021	2020
	£	£
Wages paid to employees who were also trustees at the time: J Watkins	<u>-</u>	<u>402</u>

The wages paid to the trustee above was as a result of the fulfilment roles deemed necessary by the other trustees in the best financial interest of the charity and not due to their role as a trustee.

Trustees' expenses

Included within Trustees, conference and committee expenses are expenses claimed by trustees for travelling to trustees meetings of £nil (2020: £394).

CLC INTERNATIONAL (UK)

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2021**

11. STAFF COSTS

	2021	2020
	£	£
Costs directly allocated to activities:		
Gross Salaries	113,066	574,204
Employer's National Insurance	4,408	
		28,255
Employer's Pension Contribution	2,012	10,974
	<u>119,486</u>	<u>613,433</u>
 Support costs allocated to activities:		
Gross Salaries	-	133,741
Employer's National Insurance	-	
		13,377
Employer's Pension Contributions	-	3,711
	<u>-</u>	<u>150,829</u>
	<u>119,486</u>	<u>764,262</u>

The average monthly number of employees during the year was as follows:

	Year Ended	Period
	31.3.21	1.2.19 to 31.3.20
Full time and part time	<u>8</u>	<u>51</u>

No employees received emoluments in excess of £60,000.

All administration staff were transferred to Kingsway CLC in 2019. Administration charges for CLC are covered by the year end management charges, which are reflected on the time spent on administration of the charity.

12. EXCEPTIONAL ITEMS

Included in prior year exceptional items is £3,179,349 donated to Kingsway CLC Trust in relation to the transfer of assets on 1 August 2019. Kingsway CLC Trust is a Charity Company limited by guarantee. Company No 1093879 and Charity Number 265612. During this process CLC transferred its wholesale and ecommerce divisions as well as its warehouse and offices in Sandycroft, warehouse stock, trade debtors and creditors. 32 CLC employees were transferred to Kingsway under the TUPE arrangement.

In 2021, following the closure of three shops, stock totalling £35,611 was donated to Kingsway CLC Trust.

CLC INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2021

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	14,241	155,798	170,039
Sale of Bibles & Christian Literature	3,378,926	-	3,378,926
Investment income	703	-	703
Other income	<u>169,286</u>	<u>-</u>	<u>169,286</u>
Total	3,563,156	155,798	3,718,954
EXPENDITURE ON			
Raising funds trading activities			
Other trading activities	<u>3,152,259</u>	<u>-</u>	<u>3,152,259</u>
	3,152,259	-	3,152,259
Charitable activities			
Support costs			
Distributions to members	1,037,352	-	1,037,352
	-	110,484	110,484
Other	<u>3,179,349</u>	<u>-</u>	<u>3,179,349</u>
Total	7,368,960	110,484	7,479,444
NET INCOME/(EXPENDITURE)	(3,805,804)	45,314	(3,760,490)
Transfers between funds	<u>(1,150)</u>	<u>1,150</u>	<u>-</u>
Net movement in funds	(3,806,954)	46,464	(3,760,490)
RECONCILIATION OF FUNDS			
Total funds brought forward	7,649,860	112,206	7,762,066
TOTAL FUNDS CARRIED FORWARD	<u><u>3,842,906</u></u>	<u><u>158,670</u></u>	<u><u>4,001,576</u></u>

CLC INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2021

14. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2020 and 31 March 2021	<u>23,000</u>
AMORTISATION	
At 1 April 2020 and 31 March 2021	<u>23,000</u>
NET BOOK VALUE	
At 31 March 2021	<u> -</u>
At 31 March 2020	<u> -</u>

Goodwill amortisation has been charged to the Statement of Financial Activities in the year of acquisition and is included in Support costs.

15. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Improvements to property £
COST OR VALUATION			
At 1 April 2020	3,329,315	101,554	15,965
Additions	350,000	-	-
Disposals	(507,500)	-	-
Revaluations	<u>(3,815)</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>3,168,000</u>	<u>101,554</u>	<u>15,965</u>
DEPRECIATION			
At 1 April 2020	-	15,810	14,088
Charge for year	<u>-</u>	<u>5,078</u>	<u>663</u>
At 31 March 2021	<u>-</u>	<u>20,888</u>	<u>14,751</u>
NET BOOK VALUE			
At 31 March 2021	<u>3,168,000</u>	<u>80,666</u>	<u>1,214</u>
At 31 March 2020	<u>3,329,315</u>	<u>85,744</u>	<u>1,877</u>

CLC INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2021

15. TANGIBLE FIXED ASSETS - continued

	Plant and machinery £	Fixtures and fittings £	Computer and office equipment £	Totals £
COST OR VALUATION				
At 1 April 2020	2,317	49,039	57,348	3,555,538
Additions	-	-	-	350,000
Disposals	-	-	-	(507,500)
Revaluations	-	-	-	(3,815)
	<u>2,317</u>	<u>49,039</u>	<u>57,348</u>	<u>3,394,223</u>
At 31 March 2021	<u>2,317</u>	<u>49,039</u>	<u>57,348</u>	<u>3,394,223</u>
DEPRECIATION				
At 1 April 2020	2,317	33,123	56,012	121,350
Charge for year	-	5,248	1,336	12,325
	<u>2,317</u>	<u>38,371</u>	<u>57,348</u>	<u>133,675</u>
At 31 March 2021	<u>2,317</u>	<u>38,371</u>	<u>57,348</u>	<u>133,675</u>
NET BOOK VALUE				
At 31 March 2021	<u>-</u>	<u>10,668</u>	<u>-</u>	<u>3,260,548</u>
At 31 March 2020	<u>-</u>	<u>15,916</u>	<u>1,336</u>	<u>3,434,188</u>

The freehold and long-term leasehold properties were last valued in 2018. The trustees have reviewed the market movements since then and deemed there have been no material changes. The historic cost of the freehold properties held at 31st March 2021 is £902,588 (2020: £994,097). The properties were last revalued professionally in 2014 by Howell Brooks, Chartered Surveyors.

16. STOCKS

	2021 £	2020 £
Stocks	<u>41,655</u>	<u>165,193</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	368,289	42,344
Other debtors and prepayments	21,408	41,182
VAT	478	10,893
	<u>390,175</u>	<u>94,419</u>

CLC INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2021

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 20)	4,167	-
Trade creditors	20,492	26,233
Social security and other taxes	230	3,377
Sundry creditors and accruals	<u>22,615</u>	<u>173,461</u>
	<u>47,504</u>	<u>203,071</u>

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans (see note 20)	<u>45,833</u>	<u>-</u>

20. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>4,167</u>	<u>-</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>10,000</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>35,833</u>	<u>-</u>

21. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	23,333	122,561
Between one and five years	<u>-</u>	<u>23,333</u>
	<u>23,333</u>	<u>145,894</u>

Included in the Statement of Financial Activities in the financial year is the amount of £122,561 (2020: £267,972) recognised as an expense in relation to lease payments.

CLC INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2021

22. PROVISIONS FOR LIABILITIES

	At 1 April 2020 £	Provision movement £	At 31 March 2021 £
Dilapidation provision	<u>45,472</u>	<u>(30,972)</u>	<u>14,500</u>

23. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	1,507,689	272,725	415,991	2,196,405
Revaluation fund	<u>2,335,217</u>	<u>(3,815)</u>	<u>(415,991)</u>	<u>1,915,411</u>
	3,842,906	268,910	-	4,111,816
Restricted funds				
Mission Fund	158,670	36,638	-	195,308
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>4,001,576</u>	<u>305,548</u>	<u>-</u>	<u>4,307,124</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	698,438	(425,713)	-	272,725
Revaluation fund	<u>-</u>	<u>-</u>	<u>(3,815)</u>	<u>(3,815)</u>
	698,438	(425,713)	(3,815)	268,910
Restricted funds				
Mission Fund	135,778	(99,140)	-	36,638
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>834,216</u>	<u>(524,853)</u>	<u>(3,815)</u>	<u>305,548</u>

CLC INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2021

23. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.2.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General fund	4,470,806	(3,805,804)	842,687	1,507,689
Revaluation fund	<u>3,179,054</u>	<u>-</u>	<u>(843,837)</u>	<u>2,335,217</u>
	7,649,860	(3,805,804)	(1,150)	3,842,906
Restricted funds				
Mission Fund	112,206	45,314	1,150	158,670
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u><u>7,762,066</u></u>	<u><u>(3,760,490)</u></u>	<u><u>-</u></u>	<u><u>4,001,576</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,563,156	(7,368,960)	(3,805,804)
Restricted funds			
Mission Fund	155,798	(110,484)	45,314
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u><u>3,718,954</u></u>	<u><u>(7,479,444)</u></u>	<u><u>(3,760,490)</u></u>

The unrestricted funds of the Charity include the following designated funds:

Fixed Asset Revaluation Fund	2021 £	2020 £
Net funds at 1 April 2020	2,335,217	3,179,054
Unrealised gain on revaluation of properties	(3,815)	-
Realised gain on sale of properties	<u>(415,991)</u>	<u>(843,837)</u>
Net funds at 31 March 2021	<u><u>1,915,411</u></u>	<u><u>2,335,217</u></u>

CLC INTERNATIONAL (UK)

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2021

24. CONTINGENT LIABILITIES

Some CLC members receive donations from the charity towards their living expenses, a number of these members also voluntarily contribute their time to the charity. There is a very remote possibility that HMRC may challenge the treatment of these donations, and argue that they should be treated as remuneration, if this was the case the charity could be liable for any PAYE and NI due on these payments to volunteers. The amount of such liability cannot be quantified as it is not currently possible to estimate what HMRC could consider remuneration. The trustees have sought legal counsel and conclude that any potential financial obligation in relation to member donations is very unlikely.

25. RELATED PARTY DISCLOSURES

CLC International is a related party due to a mutual trustee. A Field Contribution of £1,275 (2020: £17,853) was paid to CLC International during the year.

Christian Focus Publications Ltd is a related party due to one trustee being a director of this company. During the year £44,469 (2020: £16,816) was purchased from them, with £14,183 (2020: £nil) outstanding as at 31 March 2021.

Kingsway CLC Trust is a related party due to mutual trustees. By an Asset Transfer Agreement on 1 August 2019, CLC transferred assets totalling £3,179,349 to Kingsway CLC Trust, a Charity Company limited by guarantee. Company No 1093879 and Charity Number 265612. During this process CLC transferred its wholesale and ecommerce divisions as well as its warehouse and offices in Sandycroft, warehouse stock, trade debtors and creditors. 32 CLC employees were transferred to Kingsway under the TUPE arrangement. During the year £16,353 (2020: £81,377) was charged to CLC for management charges and £44,160 (2020: £295,495) was purchased from them.

Key management personnel

On 1 August 2019 all key personnel were transferred to Kingsway CLC Trust. Included in wages and salaries is the remuneration paid to key management personnel of the charity during the financial period with the total employment benefits including employer pension contributions being £nil (2020 : £161,530).