

Bethel United Church of Jesus Christ Apostolic U.K.

Trustees' Report and Financial Statements

For the year ended 31 March 2021



Bethel United Church of Jesus Christ Apostolic U.K.

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Bethel United Church of Jesus Christ Apostolic U.K.

**Reference and Administrative Details of the Charity, its Trustees and Advisers
For the year ended 31 March 2021**

Trustees	Mr G Pomell, Chair Mr D Lewin, Treasurer Mr R Narme Mr J Smith Mrs L Foster-Brooks Mrs M Lawrence-Russell (resigned 16 December 2020) Mr G Whitter
Charity registered number	1047717
Principal office	Bethel Convention Centre Kelvin Way West Bromwich West Midlands B70 7JW
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Barclays Bank plc Ground Floor 15 Colmore Row Birmingham B3 2BH
Solicitors	Clark Brookes Turner Cary Limited 3rd Floor Guardian House Cronehills Linkway West Bromwich B70 8GS

**Trustees' Report
For the year ended 31 March 2021**

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 April 2020 to 31 March 2021.

Objectives and activities

a. Policies and objectives

The charity's main objective is to advance the Christian faith.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Achievements and performance

a. Review of activities

The charity is working in furtherance of its aims and objects, the following activities were undertaken during the noted financial year:

1. We continue to develop the ministry throughout the U.K working with other Bethel family of churches, who are registered independently;
2. National convocation meetings, in person & virtual attendance, occurred during the financial year but significantly in capacity;
3. We continue our fundraising activities to facilitate the above activities as well as the maintenance of fixed assets;
4. The financial situation of the charity is negatively impacted by Covid-19; however, monthly repayments on the loan for BCC continues;
5. Conflict of Interest Policy, updated March 2020, is subject to ongoing reviews;
6. Financial Controls & Expense Policy; and, Fraud Risk Management Policy had been signed off dated 28 December 2020 and remained in place during the noted financial period;
7. Account reporting system continues to be monitored to maintain and or improve auditing;
8. The Charity submitted required corporation tax information via our accountants to HMRC, but we were not liable to pay such taxes.
9. Material improvements, repairs continues to be made to Bethel Convention Centre (BCC);
10. Unqualified accounts achieved for the 3rd consecutive year.

b. Investment policy and performance

COVID-19 has negatively impacted the charity's Fundraising initiatives across the board. The charity's assets are available, despite cash flow challenges, which has led to layoffs during the period, whilst striving to fulfil its obligations.

Trustees' Report (continued)
For the year ended 31 March 2021

Financial review

a. Going concern

The charity has reported a surplus for the year of £141,109 (2020 - surplus of £58,894) and at the balance sheet date had net current assets of £540,625 (2020 - net current assets of £461,894). The charity has continued to make capital repayments on its bank loan of £58,747 this year. Following the remaining 15-month repayment period, considerations then will include significantly reducing the loan, paying it off, or renegotiating another 3-year period.

Before and in April 2020 the spread of COVID-19 precipitated an unprecedented level of temporary closure to entities within the leisure and hospitality sector as well as religious organisations. As a result of these restrictions, branch churches were closed for a considerable period as well as the Bethel Convention Centre closing at the end of March 2020. These situations resulted in a significant reduction in income from 1st April 2020. Since the easing of restrictions within the leisure and hospitality sectors in May 2021, the Convention Centre has been able to utilise some of its capacity and hold Sunday service events etc. The following measures were taken by the charity during the year:

- We had placed a significant number of employees "on furlough" with claims being made under the government's Coronavirus Job Retention Scheme used; and
- We have taken action to remove costs and non-critical expenditure from the charity at every level possible.

The Trustees have prepared forecasts and projections, taking account of reasonably possible changes in trading performance as a result of the COVID-19 pandemic, which show that the Charity should be able to operate within the levels of its current facility.

The Trustees have concluded that there exists a material uncertainty that may cast significant doubt upon the Charity's ability to continue as a going concern. However, after making enquiries, they consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. These financial statements do not include any adjustments that might arise if the going concern basis for the preparation of the financial statements was not appropriate.

b. Reserves policy

The Trustees have established the level of reserves (that is those funds which are freely available) that the charity ought to have. Reserves are needed to ensure that the day to day operation of the charity can be sustained. The charity's policy is to try to maintain reserves to cover 6 months of unrestricted expenditure.

Movements in individual fund balances are given in note 16 and show closing reserves of £919,794 (2020 - £642,175) after allowance for designated funds and amounts tied up in fixed assets. This equates to roughly 15 months of unrestricted expenditure.

c. Principal funding

A detailed Statement of Financial Activities is set out on page 11 of the Financial Statements. A summary of the financial results of the charity is set out below.

During the year, the charity raised a total of £716,956 (2020 - £1,146,276) income before charitable expenditure. All of this income related to unrestricted funds and were raised through donations, tithed income, offerings, trading income, rental income and interest received.

Trustees' Report (continued)
For the year ended 31 March 2021

Structure, governance and management

a. Constitution

The Bethel United Church of Jesus Christ (Apostolic) UK was established in January 1986 and is governed by its constitution dated 29 May 1995, amended in 2004 and amended again on 16th December 2017. The Charity was registered with the Charity Commission on 4 July 1995 under Charity number 1047717.

The Charity has a new Spiritual Board called the National Ecclesiastical Council (NEC), which is made up of a Bishops and Overseers and designated Pastor (s). The NEC replaced the Spiritual governance role previously held by the Executive Board. This is referred to in the Charity's Constitution amended on the 29 July 2004 (and 16 December 2017). This is further explained in the minutes of the AGM which have been submitted to the Charity Commission.

The distinct separation of the Spiritual and legal components of the Charity is unique for the charity and for this reason will be a work in progress. Never-the-less, trustees remain ultimately accountable for all financial transactions and the legal compliance of the Charity.

The Charity operates from the Bethel Convention Centre in West Bromwich. Four (4) branch churches remains under its umbrella. However, the intention is that the remaining branch churches will register independently. This Charity and independently registered charities, for financial administrative purposes, will continue to support this Charity: this is through donations and national meetings but are under the same spiritual governance. The Charity also has ongoing contact with other overseas organisations operating under the Bethel name especially during international convocations where donations are made to this Charity.

b. Methods of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Constitution, as stipulated in the amended constitution dated 16th December 2017. Trustees can but didn't receive subsistence i.e. lunch allowances, but no other remuneration for the performance of their duties.

c. Organisational structure and decision-making policies

The Charity is managed, and its policies directed, by the Board of Trustees, which is supported by the NEC. The Charity is structured as follows but is under review:

Chair
Vice Chair

Council of Elders
General Secretary
Assistant Secretary
Voting Members
Non-Voting Members

The Charity itself is made up of General Members, Voting Members and Non-Voting Members. Members who hold a current License, or are ordained in the Church, are Voting Members and have the right to vote on all matters pertaining to the Church. General Members have the right to vote only in relation to the dissolution of the Charity.

The title to the property belonging to the Charity is held by the Trustees listed on page 1.

Trustees' Report (continued)
For the year ended 31 March 2021

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

New Trustees will be encouraged to undergo a briefing on their legal obligations under charity and company law, the content of the Constitution, the committee and decision-making processes, the business plan and recent financial performance of the Charity. The new Trustees will also be encouraged to meet key employees and other Trustees. Trustees are and will be encouraged to attend appropriate internal and external training events where these will facilitate the undertaking of their role.

e. Financial risk management

The Trustees have the responsibility of assessing the major risks to which the charity is exposed; in particular, those related to the operations and finances of the charity. Trustees are currently reviewing the systems and procedures to ensure these are in place to mitigate our exposure to major risks. Trustees reviewing these risks are ongoing.

Plans for future periods

In the wake of the impact of the COVID-19 pandemic and the UK government's decision to implement lockdown in March 2020 through September 2021: the trustees have taken appropriate action with the Charity continuing to operate, albeit at a reduced level which included the temporary closure of the Bethel Convention Centre, and a significant number of employees being placed "on furlough" with claims being made under the government's Coronavirus Job Retention Scheme but this ended on 31st September 2021. To manage diminishing cashflow, because of the ongoing impact of Covid-19 and its variants, on the hospitality sector: trustees, commenced restructuring to establish a volunteer's operations, which includes the process of redundancies of existing staff.

The Charity's longer-term strategy for beyond 2021 is to maintain its activities and ultimately, to achieve some growth. The trustees have continued to put measures in place to try and expand the areas in which the charity operates to achieve this. As such, the trustees believe the Charity to be a going concern and have adopted this assumption in preparing the financial statements.

The trustees are looking to incorporate Bethel United Church of Jesus Christ Apostolic UK into a Charitable Incorporated Organisation under the same name. The Trustees have commissioned Anthony Collins Solicitors LLP to prepare a draft constitution and make the application to the Charity Commission. The draft constitution will be put to the membership in January 2022 for a decision. This decision to change the legal structure is based on the trustee's desire to take advantage of the separate legal personality and limited legal liability for trustees.

Because of the impact of COVID-19, in the short-term, trustees adopted a volunteering support model for the day to day running of the Bethel Convention Centre.

Statement of Trustees' responsibilities

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;

Trustees' Report (continued)
For the year ended 31 March 2021

Statement of Trustees' responsibilities (continued)

- state whether applicable UK Accounting Standards (FRS 102) 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 adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Dains LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 20 January 2022 and signed on their behalf by:



Mr G Pomell
Chairman of the Board

Independent Auditors' Report to the Members of Bethel United Church of Jesus Christ Apostolic U.K.

Opinion

We have audited the financial statements of Bethel United Church of Jesus Christ Apostolic U.K. (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion 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 opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the reduction of economic activity together with restrictions that have been placed on religious services and the leisure and hospitality sector has resulted in a significant reduction in income, that may cast significant doubt on the Charity's ability to continue as a going concern. As stated in note 1.2, these events or conditions, along with the other matters as set forth in the note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Independent Auditors' Report to the Members of Bethel United Church of Jesus Christ Apostolic U.K.
(continued)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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.

Matters on which we are required to report by exception

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 Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

**Independent Auditors' Report to the Members of Bethel United Church of Jesus Christ Apostolic U.K.
(continued)**

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 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 an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

**Independent Auditors' Report to the Members of Bethel United Church of Jesus Christ Apostolic U.K.
(continued)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' report.

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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

20 January 2022

Dains LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Bethel United Church of Jesus Christ Apostolic U.K.

**Statement of financial activities
For the year ended 31 March 2021**

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations and legacies	3	586,076	586,076	543,002
Charitable activities	4	36,946	36,946	349,308
Other trading activities	5	25,022	25,022	149,703
Investments	6	68,912	68,912	104,263
		716,956	716,956	1,146,276
Total income				
Expenditure on:				
Charitable activities		780,589	780,589	1,087,382
		780,589	780,589	1,087,382
Total expenditure				
Net (expenditure)/income before net gains on investments		(63,633)	(63,633)	58,894
Net gains on revaluation of investment properties		204,742	204,742	-
		141,109	141,109	58,894
Net movement in funds				
Reconciliation of funds:				
Total funds brought forward		3,411,499	3,411,499	3,352,605
Net movement in funds		141,109	141,109	58,894
		3,552,608	3,552,608	3,411,499
Total funds carried forward				

All income and expenditure in 2021 related to unrestricted funds.

The notes on pages 14 to 29 form part of these financial statements.

Bethel United Church of Jesus Christ Apostolic U.K.

**Balance Sheet
As at 31 March 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	2,549,527	2,706,531
Investment property	12	1,142,000	937,258
		3,691,527	3,643,789
Current assets			
Debtors	13	61,466	59,740
Cash at bank and in hand	20	592,250	558,804
		653,716	618,544
Creditors: amounts falling due within one year	14	(113,091)	(156,650)
Net current assets		540,625	461,894
Creditors: amounts falling due after more than one year	15	(679,544)	(694,184)
Total net assets		3,552,608	3,411,499
Charity funds			
Unrestricted funds	16	3,552,608	3,411,499
Total funds		3,552,608	3,411,499

The financial statements were approved and authorised for issue by the Trustees on 20 January 2022 and signed on their behalf by:



Mr G Pomell
Chairman of the Board

The notes on pages 14 to 29 form part of these financial statements.

Statement of Cash Flows
For the year ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	19	69,715	151,477
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(1,710)
Net cash provided by/(used in) investing activities		-	(1,710)
Cash flows from financing activities			
Repayments of borrowing		(36,269)	(26,165)
Net cash used in financing activities		(36,269)	(26,165)
Change in cash and cash equivalents in the year		33,446	123,602
Cash and cash equivalents at the beginning of the year		558,804	435,202
Cash and cash equivalents at the end of the year	20	592,250	558,804

The notes on pages 14 to 29 form part of these financial statements

**Notes to the Financial Statements
For the year ended 31 March 2021**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Bethel United Church of Jesus Christ Apostolic U.K. meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Going concern

The charity has reported a surplus for the year of £141,109 (2020 - surplus of £58,894) and at the balance sheet date had net current assets of £540,625 (2020 - net current assets of £461,894). The charity has continued to make capital repayments on its bank loan of £58,747 this year. Following the remaining 15-month repayment period, considerations then will include significantly reducing the loan, paying it off, or renegotiating another 3-year period.

Before and in April 2020 the spread of COVID-19 precipitated an unprecedented level of temporary closure to entities within the leisure and hospitality sector as well as religious organisations. As a result of these restrictions, branch churches were closed for a considerable period as well as the Bethel Convention Centre closing at the end of March 2020. These situations resulted in a significant reduction in income from 1st April 2020. Since the easing of restrictions within the leisure and hospitality sectors in May 2021, the Convention Centre has been able to utilise some of its capacity and hold Sunday service events etc. The following measures were taken by the charity during the year:

- We had placed a significant number of employees "on furlough" with claims being made under the government's Coronavirus Job Retention Scheme used; and
- We have taken action to remove costs and non-critical expenditure from the charity at every level possible.

The Trustees have prepared forecasts and projections, taking account of reasonably possible changes in trading performance as a result of the COVID-19 pandemic, which show that the Charity should be able to operate within the levels of its current facility.

The Trustees have concluded that there exists a material uncertainty that may cast significant doubt upon the Charity's ability to continue as a going concern. However, after making enquiries, they consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. These financial statements do not include any adjustments that might arise if the going concern basis for the preparation of the financial statements was not appropriate.

**Notes to the Financial Statements
For the year ended 31 March 2021**

1. Accounting policies (continued)

1.3 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.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.5 Government grants

Government grants are credited to the Statement of financial activities as the related expenditure is incurred.

Notes to the Financial Statements
For the year ended 31 March 2021

1. Accounting policies (continued)

1.6 Interest receivable

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 institution with whom the funds are deposited.

1.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold land	- not depreciated
Freehold property	- 3% straight line
Fixtures, fittings and equipment	- 15-25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

1.9 Investment properties

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in the fair value are recognised in the Statement of financial activities.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Notes to the Financial Statements
For the year ended 31 March 2021**

1. Accounting policies (continued)

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

1.13 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.15 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

1.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Notes to the Financial Statements
For the year ended 31 March 2021

2. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Depreciation and residual values

The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

Valuation of investment properties

The Trustees have reviewed the valuation of each investment property and have concluded that the valuation is appropriate.

3. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations, offerings and tithes	466,053	466,053	543,002
Government grants	120,023	120,023	-
	<u>586,076</u>	<u>586,076</u>	<u>543,002</u>

The Charity has been eligible to claim from the government support schemes in response to the COVID-19 outbreak.

The Charity furloughed certain staff under the Government's Coronavirus Job Retention Scheme (CJRS). The funding received of £120,023 relates to claims made in respect of the year.

4. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Religious events	36,946	36,946	349,308
	<u>36,946</u>	<u>36,946</u>	<u>349,308</u>

Notes to the Financial Statements
For the year ended 31 March 2021

5. Income from trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Convention Centre	25,022	25,022	149,703
	<u>25,022</u>	<u>25,022</u>	<u>149,703</u>

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental income	68,870	68,870	104,203
Bank interest	42	42	60
	<u>68,912</u>	<u>68,912</u>	<u>104,263</u>

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Governance costs 2021 £	Total funds 2021 £
Church mission	319,589	-	319,589
Convention Centre	454,500	6,500	461,000
	<u>774,089</u>	<u>6,500</u>	<u>780,589</u>

	Activities undertaken directly 2020 £	Governance costs 2020 £	Total funds 2020 £
Church mission	188,368	-	188,368
Convention Centre	892,514	6,500	899,014
	<u>1,080,882</u>	<u>6,500</u>	<u>1,087,382</u>

Notes to the Financial Statements
For the year ended 31 March 2021

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Church Mission 2021 £	Convention Centre 2021 £	Total funds 2021 £
Staff costs	-	171,594	171,594
Depreciation	15,991	141,013	157,004
Church Rent & Servicing	32,100	-	32,100
Church Wages & Office Expenses	3,278	-	3,278
Office and administration	-	63	63
Convocational expenses	100	-	100
Donations	79,129	-	79,129
Food and direct purchases	-	202	202
Bank charges and interest	524	28,519	29,043
Marketing and publicity	-	5,174	5,174
Premises expenses	35,570	55,532	91,102
Equipment hire	-	12,421	12,421
Postage and stationery	452	-	452
Telephone	1,575	10,724	12,299
Other expenses	54,230	4,978	59,208
Repairs and maintenance	92,352	7,697	100,049
Insurance	4,085	-	4,085
Accountancy fees	-	7,210	7,210
Professional fees	203	9,373	9,576
Total 2021	319,589	454,500	774,089

Notes to the Financial Statements
For the year ended 31 March 2021

7. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Church Mission 2020 £	Convention Centre 2020 £	Total funds 2020 £
Staff costs	1,640	265,644	267,284
Depreciation	30,124	141,077	171,201
Rent	39,647	17,110	56,757
Ministerial expenses	35,675	-	35,675
Office and administration	-	1,535	1,535
Convocational expenses	12,062	-	12,062
Donations	20,171	20,239	40,410
Books and equipment	460	237	697
Food and direct purchases	-	37,021	37,021
Bank charges and interest	882	33,277	34,159
Marketing and publicity	-	29,433	29,433
Premises expenses	16,015	143,865	159,880
Equipment hire	-	60,419	60,419
Postage and stationery	943	4,753	5,696
Telephone	1,229	10,836	12,065
Other expenses	6,071	53,851	59,922
Repairs and maintenance	14,552	33,094	47,646
Insurance	6,397	-	6,397
Motor and travel	-	3,584	3,584
Accountancy fees	-	3,160	3,160
Professional fees	2,500	33,379	35,879
Total 2020	188,368	892,514	1,080,882

**Notes to the Financial Statements
For the year ended 31 March 2021**

8. Net income/(expenditure)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	157,004	171,201
Auditor's remuneration - audit	6,500	6,500
Auditor's remuneration - other services	6,900	2,260
Operating lease costs	1,890	3,781
	=====	=====

9. Staff costs

	2021 £	2020 £
Wages and salaries	161,776	247,375
Social security costs	7,730	15,977
Pension costs	2,088	3,932
	=====	=====
	171,594	267,284

The average number of persons employed by the Charity during the year was as follows:

	2021 No.	2020 No.
Convention centre	27	21
	=====	=====

No employee received remuneration amounting to more than £60,000 in either year.

The total compensation received by the key management personnel of the charity was £Nil (2020 - £Nil).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

Notes to the Financial Statements
For the year ended 31 March 2021
11. Tangible fixed assets

	Freehold land and property £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 April 2020	5,974,467	770,686	6,745,153
At 31 March 2021	5,974,467	770,686	6,745,153
Depreciation			
At 1 April 2020	3,305,266	733,356	4,038,622
Charge for the year	149,826	7,178	157,004
At 31 March 2021	3,455,092	740,534	4,195,626
Net book value			
At 31 March 2021	2,519,375	30,152	2,549,527
At 31 March 2020	2,669,201	37,330	2,706,531

12. Investment property

	Freehold investment property £
Valuation	
At 1 April 2020	937,258
Surplus on revaluation	204,742
At 31 March 2021	1,142,000

The 2021 valuations were made by the Trustees on an open market value for existing use basis. In the opinion of the Trustees, the market value of the investment property is still materially correct at 31 March 2021.

Notes to the Financial Statements
For the year ended 31 March 2021

13. Debtors

	2021 £	2020 £
Trade debtors	37,749	29,538
Other debtors	21,425	27,342
Prepayments and accrued income	2,292	2,860
	<u>61,466</u>	<u>59,740</u>

14. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	47,082	68,711
Trade creditors	15,105	41,523
Other taxation and social security	27,101	24,937
Other creditors	795	112
Accruals and deferred income	23,008	21,367
	<u>113,091</u>	<u>156,650</u>

	2021 £	2020 £
Deferred income at 1 April 2020	6,136	11,689
Resources deferred during the year	-	6,136
Amounts released from previous periods	(6,136)	(11,689)
	<u>-</u>	<u>6,136</u>

Notes to the Financial Statements
For the year ended 31 March 2021

15. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	679,544	694,184

The bank loan is repayable over the 15 months following the balance sheet date. Repayments of £5,726 are due monthly with the remaining balance repayment due in June 2022. Interest is charged on the bank loan at a fixed rate of 3.3%.

The mortgage loan is secured via a first legal charge over the land and buildings at Bethel Convention Centre, Kelvin Way, West Bromwich.

16. Statement of funds**Statement of funds - current year**

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Donations account	62,793	128,508	(26,515)	(81,499)	-	83,287
Fixed assets	2,706,531	-	(157,004)	-	-	2,549,527
	2,769,324	128,508	(183,519)	(81,499)	-	2,632,814
General funds						
General Funds	642,175	588,448	(597,070)	81,499	204,742	919,794
Total Unrestricted funds	3,411,499	716,956	(780,589)	-	204,742	3,552,608

Designated funds*Donations account*

This fund comprises cash held at bank to fund future mortgage loan repayments over the next 12 months, the capital element of which is held in creditors on the balance sheet.

Fixed assets

This fund represents amounts tied up in the tangible assets of the charity.

Notes to the Financial Statements
For the year ended 31 March 2021

16. Statement of funds (continued)**Statement of funds - prior year**

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Unrestricted funds					
Designated funds					
Donations account	56,560	64,672	(32,274)	(26,165)	62,793
Fixed assets	3,008,280	-	(171,201)	(130,548)	2,706,531
	<u>3,064,840</u>	<u>64,672</u>	<u>(203,475)</u>	<u>(156,713)</u>	<u>2,769,324</u>
General funds					
General Funds	287,765	1,081,604	(883,907)	156,713	642,175
	<u>287,765</u>	<u>1,081,604</u>	<u>(883,907)</u>	<u>156,713</u>	<u>642,175</u>
Total Unrestricted funds	<u>3,352,605</u>	<u>1,146,276</u>	<u>(1,087,382)</u>	<u>-</u>	<u>3,411,499</u>

17. Summary of funds**Summary of funds - current year**

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Designated funds	2,769,324	128,508	(183,519)	(81,499)	-	2,632,814
General funds	642,175	588,448	(597,070)	81,499	204,742	919,794
	<u>3,411,499</u>	<u>716,956</u>	<u>(780,589)</u>	<u>-</u>	<u>204,742</u>	<u>3,552,608</u>

Notes to the Financial Statements
For the year ended 31 March 2021

17. Summary of funds (continued)**Summary of funds - prior year**

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Designated funds	3,064,840	64,672	(203,475)	(156,713)	2,769,324
General funds	287,765	1,081,604	(883,907)	156,713	642,175
	<u>3,352,605</u>	<u>1,146,276</u>	<u>(1,087,382)</u>	<u>-</u>	<u>3,411,499</u>

18. Analysis of net assets between funds**Analysis of net assets between funds - current year**

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	2,549,527	2,549,527
Investment property	1,142,000	1,142,000
Current assets	653,716	653,716
Creditors due within one year	(113,091)	(113,091)
Creditors due in more than one year	(679,544)	(679,544)
Total	<u>3,552,608</u>	<u>3,552,608</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	2,706,531	2,706,531
Investment property	937,258	937,258
Current assets	618,544	618,544
Creditors due within one year	(156,650)	(156,650)
Creditors due in more than one year	(694,184)	(694,184)
Total	<u>3,411,499</u>	<u>3,411,499</u>

Notes to the Financial Statements
For the year ended 31 March 2021

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	141,109	58,894
Adjustments for:		
Depreciation charges	157,004	171,201
Increase in debtors	(1,726)	(32,987)
Decrease in creditors excluding loans	(21,930)	(45,631)
Revaluation of investment properties	(204,742)	-
Net cash provided by operating activities	69,715	151,477

20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	592,250	558,804
Total cash and cash equivalents	592,250	558,804

21. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	Other non- cash changes £	At 31 March 2021 £
Cash at bank and in hand	558,804	33,446	-	592,250
Bank and other loans under 1 year	(68,711)	6,989	14,640	(47,082)
Bank loan due after 1 year	(694,184)	-	14,640	(679,544)
	(204,091)	40,435	29,280	(134,376)

22. Pension commitments

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £2,088 (2020 - £3,932). Contributions totalling £112 (2020 - £112) were payable to the fund at the balance sheet date and are included in creditors.

**Notes to the Financial Statements
For the year ended 31 March 2021**

23. Operating lease commitments

At 31 March 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	-	1,890
	<u> </u>	<u> </u>

24. Related party transactions

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 March 2021.