

HIGHWAY OF HOLINESS

Statement of Financial Activities for the Year Ended 31 October 2023

HIGHWAY OF HOLINESS

FINANCIAL STATEMENT AS OF 31 OCTOBER 2023

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1. Trustees Report

The Trustees of Highway of Holiness (HOH) have presented their report and annual accounts for the period ending on 31 October 2023. Throughout this fiscal year, we witnessed significant progress in the church's core initiatives, including a notable increase in membership and the expansion of our mission endeavours. These missions encompassed spreading the gospel of Jesus, providing local community services within the UK, focusing on daycare and youth programmes for local communities, supporting the Kingdom Lifestyle Mission (an International Education Programme for underprivileged children in developing countries), and contributing to the UK homeless programme.

Extraordinary Event:

The impact of Covid-19 on the communities we serve and the countries where we provide educational training and support has been evident. This year presented significant challenges due to the extraordinary events resulting from the post-Covid-19 pandemic. Despite these difficulties, we implemented measures that led to increased exposure and opportunities to expand our humanitarian services beyond our usual scope, benefiting many local authorities and communities. We received valuable assistance and funding from multiple sources and sought professional advice from trusted partners, including PMCT Accountants & Consultants. Press coverage for Highway of Holiness exceeded previous years, creating greater awareness of our services. While we appreciate the positive exposure, it also increased demands on our limited financial and accommodation resources.

Covid-19 underscored the urgent need for dedicated living accommodations for homeless individuals beyond the sole use of our church as permanent premises. This need remains critical even in the post Covid-19 era, as we continue to use many hotels as temporary shelters for users of HOH homeless services. During the accounting year 2022-23, several homeless individuals were provided with rented accommodations as part of Highway of Holiness's initiatives financed wholly with grants. Concurrently, the church remained steadfast in offering pertinent support aimed at assisting service users in reclaiming their independence.

As a result of the Covid-19 pandemic, many local community charities and other humanitarian organisations have closed, thereby putting extra pressure on HOH far beyond our anticipation and carefully planned supported networks. The pandemic had a profound impact on local communities and the health of individuals, leading to an increase in homelessness and hardships for vulnerable families. It also strained our limited financial resources as we faced additional expenses to support humanitarian programmes during this challenging time. The increased demand for assistance further stressed our existing funding sources, making the need for additional financial support crucial to sustain and expand our humanitarian efforts.

Despite these challenges, HOH remains committed to addressing the pressing needs of local communities, promoting the well-being of individuals, and supporting underprivileged children in

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developing countries through our Kingdom Living Mission (KLM). We are actively exploring various avenues to secure additional funding and resources to provide relief and hope to those affected by the pandemic's aftermath. With the support of generous donors and our dedicated community, we aim to make a positive impact and bring about meaningful change in the lives of those facing adversity.

1.1 Main Activities

Highway of Holiness places its primary focus on Christ-centred church activities, while also dedicating secondary efforts to serving humanity and supporting local communities. Throughout the accounting period, we offered essential assistance to over 150 homeless individuals, providing them with food and accommodation. We also provide advisory services including welfare, housing, and employment. Additionally, we arranged youth activities and personal development training for numerous young people in the Tottenham and Haringey Council areas. Our commitment extended to supporting youth educational projects in Ghana, India, Pakistan, and South Sudan benefiting underprivileged children. Furthermore, we established partnerships in many countries following orientations and training, enabling us to announce successful collaborations with numerous partners and sponsors for our Kingdom Lifestyle Mission initiatives.

However, due to financial constraints, we were unable to expand the Kingdom Lifestyle Mission and International Educational Projects to Ethiopia, Bulgaria, Sierra Leone, Poland, Nigeria, Nicaragua, and Kenya, as we had done in previous years due to financial constraints. Nevertheless, we provided non-financial support through other means, including collaboration with local partners. We also intensified our dedication to local churches and youth programmes, expanding our training initiatives to assist young adults in finding employment. We had planned a year to engage employment agencies to implement viable strategies for enhancing the employability of young adults and homeless individuals.

Throughout the year, we successfully organised prayer and teaching conferences with outstanding attendance. Additionally, we conducted training seminars for teachers and volunteers at our Sunday school for primary school children, as well as for the youth clubs serving HOH youths and local communities.

We express our gratitude to Haringey Council for their contribution to our local Summer Youth Programme, including the provision of premises at Haringey Youth Centre in Bruce Grove, Tottenham. Furthermore, we received grants from various sources, including £184,236.00 from the Department for Levelling Up, Housing and Communities, and £54,352.00 from TNLCF Reaching Communities through the National Lottery Community Fund.

Constraints and Challenges

The closure of supporting services during and after the Covid-19 period has resulted in continuous demand for our services, making what was once an extraordinary event now a regular occurrence.

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Additional financial support from various sources is crucial to meet humanitarian needs, especially since we are unable to fulfil significant service requests from local councils, hospitals, Red Cross, local Police services, and reputable organisations within the communities we serve. Funding as a grant provided by TNLCF Reaching Communities through the National Lottery Community Fund came to an end, and an individual was compelled to work voluntarily when funding finished.

Our goal is to expand our Highway Youth Club (Keep It Real Youth Forum) and Saturday School for underprivileged primary and secondary school children, which have been solely supported by HOH since 1995, to multiple communities if external funding can be obtained. Despite the wider recognition and exposure of our services, our main challenge remains inadequate funding to meet the growing demand for our assistance, particularly for homeless women due to the lack of accommodation facilities. Training volunteers to support accommodation geared towards independent living, day centre (daycare including laundry services and shower facilities), and nightcare services is also a priority.

We extend our appreciation and gratitude to the many individuals and organisations donating to our humanitarian Programmes. We are also grateful to our church members who allowed donated funds meant for future church building purchases (restricted reserve) to be used towards UK humanitarian services, including local charities, Highway House, and Kingdom Lifestyle Mission (KLM), which extends international education, care, and tangible support to underprivileged children in developing countries.

Our ability to assist women experiencing homelessness was significantly limited due to the lack of available accommodation and financial resources. This constraint forced us to offer support far below our intentions and readiness.

Achievements during the Year

Throughout the year, we achieved significant milestones in our mission. We successfully continued and increased the integration of many homeless individuals recovering from alcohol, drug misuse, and traumas into the local community. Additionally, we transitioned numerous homeless-funded individuals from temporary hotels, initially placed during the Covid-19 pandemic, to permanent rented accommodations, significantly reducing accommodation costs. Moreover, we provided essential support to persecuted Christians in Pakistan, India, South Sudan, and Northern Nigeria.

For the Kingdom Lifestyle Mission (KLM), we continued to offer financial and other forms of support to many countries, boldly advancing education for underprivileged children. We formed successful partnerships with numerous churches and university student unions to provide relevant support and educational materials. Countries supported by local partners included Ghana, Nigeria, South Sudan, Pakistan, India, Nicaragua, and Ethiopia, with a particular focus on mitigating the impact of Covid-19 on children. Our KLM played a crucial role in providing supplementary education for underprivileged children in Ghana, South Sudan, and Pakistan.

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Aligned with our objectives, we accomplished all our planned goals. Our Youth Community work expanded its reach to include previously unreached communities, effectively meeting various organisations' requests for assistance. The daycare centre, initially operating twice a week, now provides essential services beyond the planned two days, significantly benefiting homeless and isolated individuals in surrounding communities. Furthermore, support workers now make three weekly visits to service users who have been provided accommodation by Highway House (HOH), aiding and facilitating their transition from homelessness to independent living.

To address the needs of homeless and vulnerable families and prevent homelessness as a temporary measure, we introduced walk-in-care services at the daycare centre in the 2021-22 accounting year, offering relevant support and amenities. However, the demand for this service increased in the 2022-23 accounting year. Our dedicated efforts resulted in successfully helping many service users find employment during the 2022-23 accounting year. Several previous service users have become volunteers to support others at the centre. Overall, the number of volunteers from the church, community, and previous service users increased by 33% compared to the previous accounting year.

In addition to our accomplishments, we received donations from church members and the general communities as supplements to the grants received. These donations enabled us to meet higher-than-expected demands for the services we offer, particularly benefiting our church members, local community youths, and our surrounding communities. This generous support from our members and the wider community has been instrumental in enhancing our ability to serve those in need and fulfil our mission effectively.

Over the years, our commitment and positive impact have been acknowledged with several awards, including the Homeless Shelter of the Year 2019-2020 and the Haringey Community Impact Award 2019. These achievements reflect our ongoing commitment to making a meaningful difference in the lives of those we serve.

1.2 New Challenges from post-Covid-19 Events

The Covid-19 pandemic presented fresh obstacles to HOH over the past four years, prompting other charities to reduce their activities. This led to a surge in demand for our services, with numerous referrals surpassing the usual from established organisations, local councils, and governmental agencies during the lockdowns. In response, we adjusted our procedures to meet humanitarian needs, with significant input and advice from PMCT Accountants & Consultants. They aided us in assessing our cost structure and planned budget, focusing on prioritising the delivery of humanitarian services in the most cost-effective manner. As a result of our pre-planned strategies for the post-Covid-19 period, HOH's humanitarian efforts have enjoyed the following benefits:

- **Enhanced Budget Management:** With guidance from PMCT Accountants & Consultants, we strategically allocated our budget, ensuring that resources were channelled to the most vital areas of humanitarian aid.

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- **Strengthened Collaborations:** Our planning process facilitated deeper partnerships with partner organisations, local councils, and governmental agencies, allowing us to expand our influence and impact within the community.
- **Sustainable Expansion:** The pre-planned approach ensured the sustainability of our humanitarian services, enabling us to continue offering essential assistance to those in need, even in the face of future challenges.
- **Increased Outreach:** With a well-structured post-Covid-19 plan in place, we were able to broaden our reach to a wider audience, ensuring that our services reached those most in need.

Financial supports

In these extraordinary times, we have received financial backing from various quarters, with some donors opting to remain anonymous through the Charity Aid Foundation. We extend our sincere gratitude to all donors, whether publicly recognised or anonymous, on behalf of all beneficiaries, for your generous and benevolent contributions.

Our church members have played a pivotal role by offering practical financial aid and volunteering their services. Furthermore, we have received tangible financial assistance from individuals, local communities, and businesses. We deeply value your generosity and sacrifices, as none of our accomplishments would have been attainable without your backing.

Financial support has emanated from diverse sources, including:

- Department for Levelling Up, Housing and Communities: £184,236.00 allocated for the 2022-23 period, with £41,223.00 carried forward as restricted funds for use in the 2023-24 accounting year.
- Additionally, we secured grants from various sources, such as £54,352.00 from TNLCF Reaching Communities through the National Lottery Community Fund.
- TNLCF Reaching Communities through National Lotteries: £54,352.00 designated for 2022-23, with £30,178.00 carried over to the 2023-24 accounting year as restricted funds for our community humanitarian services.
- Numerous philanthropists, renowned to HOH over the years for their steadfast support, continued to donate generously.

We express our sincere gratitude to the Department for Levelling Up, Housing and Communities, as well as TNLCF Reaching Communities through the National Lottery Community Fund. Your invaluable assistance has had a profound impact on our organisation and the communities we serve. We take this moment to convey our heartfelt appreciation for the significant difference you have made in the lives of others through your unwavering support.

Financing Sources and Allocation of Funds:

For the fiscal year ending on 31 October 2023, our financial position remained steady. We extend our appreciation to our external donors, including those who generously donated £6,171.00 via

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PayPal and contributions from churches amounting to £4,850.00. Furthermore, we express our gratitude to the members of Highway of Holiness church and the general public for their significant contributions of £225,240.00, serving as the primary funding source for our community and KLM programmes.

Throughout the year, we received a grant of £277,193.00 from the Department for Levelling Up, Housing and Communities, of which £255,459.00 was allocated for the 2022-23 period, with £41,223.00 carried forward to 2023-24. Additionally, we received £51,734.00 from Reaching Communities through National Lotteries for our Day Centre and Community Care, with £21,556.00 utilised and the remaining £30,178.00 carried forward to 2023-24. A prior year restricted fund of £30,083.00 from Reaching Communities through National Lotteries for our Day Centre and Community Care became available for use in 2022-23. Consequently, we allocated £205,792.00 along with the prior year's unrestricted reserve of £30,083.00, totalling £238,587.88.

In total, our donations and grants for the financial year amounted to £463,828.00, representing an increase of £42,420.00 compared to the previous year. Additionally, HOH members raised over £69,500.00 towards the building project. However, the restricted building fund increased by only £19,483.00 from £116,439.00 to £135,922.00, as members permitted trustees to utilise donations to meet the excess demands for HOH humanitarian services of £50,017.00. The Restricted Reserve for emergency operations increased by £5,500.00, from £17,347.00 to £22,847.00. Moreover, we increased the Unrestricted Reserve by £2,500.00, from £16,369.00 to £18,869.00. We have been advised by PMCT Accountants & Consultants to increase unrestricted to a minimum of £35,000.00.

Our overall spending increased by £32,326.00 over the prior year, resulting in a yearly surplus of £23,273.00, which is significantly £10,054.00 higher than the previous year's surplus. As advised by PMCT Accountants & Consultants, we established a provisional reserve called the General Performance Reserve for Core Church Operation of £5,000.00 to replace our old musical and other equipment. Despite the challenges, our overall funding reserve, excluding grant restricted reserve, increased by £32,384.00 from £150,155.00 to £182,638.00.

Despite facing constraints such as inadequate funding and limited volunteers, hindering us from fulfilling all requests for support, we remain steadfast in our commitment to providing tangible support to the Kingdom Lifestyle Mission (KLM) in countries facing religious persecution and modern-day slavery.

1.3 Kingdom Lifestyle Mission (KLM) – International Educational Projects

Throughout the year, our focus remained steadfast on supporting underprivileged children across various African and Asian countries through the establishment of the Kingdom Lifestyle Mission - International Educational Projects. This initiative was designed to provide supplementary

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education and training opportunities to young individuals aged 5 to 18 who lacked access to further educational resources.

Missions and KLM-Supported

	KLM	Mission	Total
Ghana	4,529.46	3,009.63	7,539.09
India	80.99	4,287.72	4,368.71
Liberia		209.99	209.99
Nicaragua		176.99	176.99
Nigeria		209.99	209.99
Pakistan	1,840.00	5,879.03	7,719.03
South Sudan	4,500.00		4,500.00
	10,950.45	13,773.35	24,723.80

This was wholly funded by HOH members' donations initially intended for building the project as a restricted reserve which HOH permitted for meeting humanitarian considerations.

Associated Cost of Children Number

Kingdom Lifestyle Mission (KLM) International Educational Projects and Other International Mission Supports

Countries Where Children are Supported	2022 – 2023	2021 - 2022	2020 – 2021	2019 - 2020
	Amount (£)	Amount (£)	Amount (£)	Amount (£)
Ethiopia		502.98	1,200.01	
Ghana	4,529.46	11,332.74	5,410.50	3,367.18
South Sudan	4,500.00	6,033.29	2,226.13	1,700.00
Pakistan	1,840.00	12,892.78	4,338.09	733.3
Sierra Leone				154.9
Poland				1,430.00
India	80.99	5,121.28	764.37	591.78
Nigeria		981.48	504.9	102.9
Philippines				201.9
Lebanon crisis				302
Nicaragua		1,511.48		
Kenya			939.49	
Total	10,950.45	38,376.03	15,383.49	8,583.96

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Number of Children Supported for three countries.

Countries	2022 – 2023	2021 – 2022	2020 – 2021
Ghana – KLM	9,501	7,601	2,315
South Sudan	6,281	4,225	1,325
Pakistan	3,706	2,965	850
	19,488	14,791	4,490

1.4 Programmes Funding and Allocation of Source of Funding

Funds allocated to training, supplementary education, homeless Programmes, many communities youth work, and our general operational funding were allocated as follows:

Income Required for Annual Operations

	2022–2023	2021–2022
Incoming Resources		
Prior Year Unrestricted Reserve (Advance) now as Income	32,796	38,886
Donations	225,240	205,608
Grants	205,792	176,914
Total Incoming Resources	463,828	421,408

1.5 Community Support, Youth Commitments and HOH Members Welfare

Throughout the year, our primary focus remained on the welfare of our community and church members, which we approached with a strong sense of responsibility. Our highly successful youth cafe/club at the Bruce Grove Youth Centre, generously provided by Haringey Council, continued to serve as a cornerstone of our Community Youth Programme.

We extended our support by offering subsidised food, engaging in recreational activities, and empowering personal development Programmes to young people, with an inclusive approach that welcomed all community members without any qualification criteria. Building lasting connections with the hard-to-reach traveller's community was a significant priority for us. Through our Community Care Programme, we fostered community cohesion by providing a secure and confidential environment for all participants.

Our Homeless Programme played a crucial role in providing food and shelter to over 120 individuals, referred by esteemed organisations such as Hospitals, The British Red Cross, Police

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Service, Crisis Charity, The Refugee Council, Day Centres, and Governmental Agencies including Thames Reach, No Second Night Out, local charities, churches, and concerned individuals. Many of these individuals faced challenges in accessing statutory provisions due to their lack of recourse to public funds.

These significant milestones were made possible through our extensive network of partner agencies, including Local Authorities, Crisis, Shelter, Mind Haringey, Refugee Council, local charities like Edible London, soup kitchens, medical practices, housing organisations, and more. Due to a substantial increase in the number of homeless people and young adults seeking our services, our charity's finances have been under strain. As part of our planned response to this growing demand, we are aiming to acquire a hostel to support individuals transitioning to independent living from our existing shelter.

Additionally, we have identified the necessity to establish a social enterprise and employment training Programme to enhance youth employment opportunities, particularly within the Tottenham community. However, the realization of this long-term objective depends on the availability of funding.

To mitigate our reliance on contributions from members of Highway of Holiness, we are actively seeking to diversify our funding sources by soliciting external assistance and resources to meet the escalating demand for our services.

Signed: *Alex Gyasi*

Rev Alexander Gyasi - MBE

Chairman of the Trust

For and on behalf of Trustees and Members of Highway of Holiness

Date: 12 April 2024

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2. Accountants' Independent Report

In our capacity as accountants, we present the unaudited accounts for Highway of Holiness (HOH) to the Trustees. We must report any findings by the procedures outlined in the General Directions by the Charity Commissioners under section 43(7)(b) of the Act.

Respective responsibilities of trustees and examiner

The Trustees of Highway of Holiness hold the responsibility for preparing the accounts for the year ended 31 October 2023, detailed on pages 13 to 20. They assert that the church is exempt from audit requirements under section 43(2) of the Charities Act 1993. Per the Trustees' instructions, we have compiled these unaudited accounts to aid them in meeting their statutory obligations, utilising the available accounting records and information.

Our perspectives on strategies and operational approach

Highway of Holiness exhibits commendable organisation in both operational and financial domains. The timely grant received from Reaching Communities for Homeless and Communities work proved to be significant. However, to sustain the church's activities and address the growing demands for its services, consistent external funding is imperative.

As Highway of Holiness expands its activities, a strategic review becomes imperative, as existing limited resources fall short of meeting all social and humanitarian needs. Particularly concerning homeless women, demand for services surpasses available resources by more than 50%.

Prioritising core church activities, especially in mission and evangelism, will facilitate accelerated growth in church membership. Securing a dedicated space for church services is crucial, as the current auditorium serves partly for homeless operations and other humanitarian activities post-church services. This segregation will enable the church to concentrate on its core mission and better serve its members and the community.

Basis of independent examiner's report

Our examination was conducted in line with the General Directions provided by the Charity Commissioners. It involved scrutinising the charity's accounting records, comparing the presented accounts with those records, and reviewing any unusual items or disclosures. We sought clarifications from the trustees on such matters. However, our procedures do not provide all the evidence required for an audit, and hence, we do not offer an audit opinion on the view presented by the accounts. Our examination scope has been expanded to encompass aspects of auditing for sound recording and management.

Challenges in the Post Covid-19 Era

Numerous local charities and humanitarian support organisations within the operational scope of HOH have ceased operations. We anticipate a surge in demand for HOH services post-Covid-19, as those who have benefited from HOH support are likely to refer others facing similar challenges.

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While we share the optimism and faith demonstrated by HOH members, as accountants, we cannot overlook the reality of insufficient funding to meet the increasing demand for HOH services.

During the pandemic, the church emerged as a beacon of hope and support for many, particularly the homeless, receiving backing from governmental bodies and local councils, thereby bolstering humanitarian efforts. However, there has been a noticeable decline in support and financial aid post-pandemic, despite sustained humanitarian endeavours, with some cases witnessing an uptick in referrals. In the 2022-23 period, HOH was compelled to enhance its local community humanitarian assistance, leading to the dilemma of prioritising efforts due to limited finances or rapidly expanding funding sources to meet the continued increase in demand for humanitarian support.

The church trustees have consistently shown dedication to maintaining HOH service quality and upholding the dignity of service users. With increased visibility, we anticipate a broader demand for HOH services and advise the church to remain focused on its objectives to manage the escalating demands effectively.

At PMCT Accountants & Consultants, we recognise the inevitability of heightened demand for HOH services. Despite limited funds, we are committed to providing robust professional support to HOH in strategising to meet its annual objectives. However, the challenge lies in financial constraints and housing accommodations for the homeless, potentially hindering the fulfilment of humanitarian needs. We notice that HOH has secured a level of financing to secure rented accommodations for several of its service users. This approach is commendable, and HOH should continue and possibly expand its accommodation efforts for independent living for the homeless.

As an engaged member of local communities, the church frequently receives requests to expand its services. To address mounting demand with limited resources, we strongly advocate for the church to proceed with plans to bolster collaborations with other charities, local communities, religious institutions, hospitals, the Red Cross, and governmental bodies such as the fire service, local councils, and the police. These partnerships will facilitate access to necessary services for potential beneficiaries, considering HOH's constraints.

Provision of Funds (Reserve)

HOH must give priority to securing accommodation, and we strongly urge the church to actively seek external support to fully finance a significant portion of the associated humanitarian costs. Presently, the funding sources comprise:

- Grants from Reaching Communities through National Lotteries and other benevolent funds, which are tied to the timing and delivery of services. Grants not yet allocated as earned income are categorised as Grants Restricted Funds.

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- The church has diligently planned to secure long-term accommodation for church services, a community youth centre, community daycare, and homeless housing projects. Over many years, HOH members have generously contributed over £328,000.00 towards church building projects, continuing into the 2022 – 2023 accounting year. However, with members' consent, part of the building project fund was allocated to support the homeless project and humanitarian efforts due to unexpected delays in receiving grant funds.
- Members' specific donations for the church building project, and the corresponding amount set aside, are considered part of Restricted Funds. Over the years, at least £190,000.00 of accumulated building funds have been utilised to support humanitarian projects, with the 2022-23 accounting year being no exception. Members' Restricted Donations for Building Projects increased by £19,483.00.
- A prudent three-month (13 weeks) Operational Reserve is required to be set aside as Restricted Funds to support the expected and ever-increasing demands for Highway of Holiness services. Currently, the funds set aside can only support planned services for two weeks and three days, indicating the need to increase Operational Restricted Funds by £6,200.00.
- Unrestricted funds constitute the operational surplus reserve available to trustees and management, which can be utilised in conjunction with periodic receivable donations and allocated grants. However, we believe unrestricted funds are insufficient to support all processes outlined by the Trustees. Due to limited funding, the Trustees could not allocate funds from unrestricted sources for the church's internal youth Programmes, crucial for the church's future sustainability.
- We strongly advise against dividing operations between core church activities and humanitarian efforts. The church's building fund, contributed by members over the years, has consistently been directed towards humanitarian commitments. Given the ever-increasing demand for community charitable deeds and the closure of many charities, we recommend against separating current operational considerations based on funding, administration, and church members volunteering to support HOH. Establishing a separate entity outside of the church could establish boundaries that might hinder charitable activities not considered core church Programmes, as is the case presently.
- For 2022-23, we noticed a continued increase in church numbers compared to 2020-21. We believe HOH's upward trajectory in church membership is attributed to a significant focus on main core activities, especially in evangelism, resulting in reduced operational costs corresponding to members' income as donations. Additional support is essential to address the increasing expenses of providing living accommodations and care for the homeless and the community.

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- Last year, we recommended HOH to create a specific reserve for core activities such as Music Ministration and Youth Ministry. To this effect, the Trustees set aside £5,000.00 as a 'General Performance Reserve for Core Church Operation.'
- Following our recommendation to seek partners for Kingdom Life Ministry (KLM), it is recommended that HOH expand its KLM operations significantly yet spend far less than in corresponding years due to seeking external support and partnerships to meet the growing demands for all humanitarian considerations of KLM operations.

Independent Examiner's Statement

Based on our examination, we have not identified any matters that give us reasonable cause to believe that the requirements concerning accounting records, preparation of accounts by section 41 of the Act, and compliance with the accounting requirements of the Act have not been met in any material respect. Furthermore, there are no matters to which, in our opinion, attention should be drawn that would hinder a proper understanding of accounting.

Signature: *Vincent Santeng*

PMCT Accountants Partner Name: Vincent Santeng – CA (GH), PGDIP, MBA, FCCA

In a Capacity as a *Qualified Chartered and Certified Accountant*.

Date: 12 April 2024

Address: Unit 322B Ability House, 121 Brooker Road, Waltham Abbey, EN9 1JH

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3. Highway of Holiness: Annual Report for the Year Ended 31 October 2023

3.1 Scope of Operation and Undertaken Activities

The Trustees report that the financial year ended 31 October 2023 continued to bring new challenges for the organisation.

The Highway Homeless Programme has surpassed our current capacity, as we are now offering supervised hostel shelters and distributing food vouchers to homeless individuals. Most homeless clients are from Eastern Europe, Africa, and Asia including those from China and UK citizens. By the end of the financial year, we had many nationalities whom we provided services for. We also continue to provide alcohol counselling and detoxification services together with specialist agencies.

The building used for housing women was provided by a benefactor for a limited and was not available after its expiry date. The Church is currently seeking assistance from many communities and would be sponsors to assist in securing accommodation for the homeless and expand beyond current provision.

We work closely with some North London Councils including Haringey Council regarding various aspects of the Homeless Projects. We were able to offer needed help to homeless individuals on account of many volunteers from within and outside Highway of Holiness who have contributed food items, clothing, and personal time towards the Programme. Many Churches and organisations continue to show interest in the Homeless Programme and have promised to donate needed resources towards the Programme.

We continue to improve on our Community Youth Programmes which have gained wider recognition outside our local community. The Programmes help youth needing social assistance, advice, counselling, and specifically organising group trips and camps with the sole purpose of directing local youth to channel their energy towards realising their potential regardless of social background and religious beliefs. Through these activities, we promote and provide supplementary education, confidence building, social integration, and improvement of the employment prospects of the Youth in the community. We also promote godliness and social responsibility through these activities.

During the year we continued to assist and contribute resources to other charitable organisations engaged in youth work. We currently have suspended our youth television Programme called Keep It Real (KIR) and are currently looking for sponsors to enable us to expand this Programme because of its importance to the youths in our communities and nationwide.

In line with our Christian ethos, during the year, various teaching and prayer seminars were organised regularly. Again, attendance to these activities has continued to increase, especially in

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the areas of helping the youth to desist from joining 'Gangs' in favour of living a Christ-centred life. Periodic training was organised for the Children and Youth teachers / Counsellors who again extended themselves beyond our available resources by continuing to sacrifice their time in helping the youth gain positive valuable life-changing lessons. These training seminars were aimed at equipping our volunteers with the new skills required to deal with wide-ranging educational developments and changing Youth cultural trends in the community.

3.2 Planned Objectives

We have been contacted by many youth organisations within the UK and outside UK especially Pakistan, India, South Sudan, Ghana, Ethiopia, Kenya, Bulgaria, and Romania for resource assistance. Our objective is to seek funding from many viable sources to continue to offer humanitarian assistance to individuals and groups subject to funding availability.

We plan to maintain present Homeless considerations in Tottenham. If an accommodation is secured it would be dedicated to homeless projects. A significant amount has been set aside as committed expenditure and hence deliberately committed as part of existing liabilities for the Homeless Programme. Demand and requests for the expansion of our Youth Programmes consideration from local communities, local councils, and Governmental agencies would not be ignored.

We plan to continue with all existing Programmes including expanding our training Programme for volunteers' subject to the availability of financial resources and support from interested parties.

3.3 Future Strategy

We are of the view that the current funding strategy for the Church, Youth and Community projects, and Homeless Programme is not sustainable. Currently, resources needed to facilitate the Church specific core Programmes such as members' welfare, replacement of musical equipment, outreach, and reserves for building funds are solely used to finance Youth (Keep It Real), Community help and education, and Homeless Programme

The Church members are also aging and with retirements looming there is an urgent need for the Church to focus on evangelism and youth projects to attract diverse members from the community. We believe the current spending would have to increase by at least 150% above current levels over the next 5 years to ensure the current scope of operations and financial commitments from the Church remain sustainable.

A significant portion of HOH income is allocated to Homeless Programmes and such generosity of our members, and the public is appreciated and should be encouraged. The Homeless Programmes have been increasing in scope over the last few years and are now serving many across

HIGHWAY OF HOLINESS

Statement of Financial Activities for the Year Ended 31 October 2023

the UK. Governmental agencies such as the Police and hospitals, NGOs such as the Red Cross, and local councils including Haringey, Hackney, and Enfield all have been approaching the Church to accept more clients. Current pressure and the need to meet the increasing demand for Homeless Programme services imply enhancing the existing strategic approach is urgently needed.

We are of the view that the Homeless Programme should be continued and still largely financed by the Church for now however there is the need to register the Homeless Programme as a separate charity on its own. It is paramount that other relevant partners and different sources of funding be required if the demand for helping fellow human beings is to be met.

4. Statement of Financial Performance Summary as of 31 October 2023

	2022–2023	2021–2022
Incoming Resources		
Prior Year Unrestricted Reserve (Advance) now as Income	32,796	38,886
Donations	225,240	205,608
Grants	205,792	176,914
Total Incoming Resources	463,828	421,408
Resources Expended		
Direct Charitable Expenditure on charitable objectives	418,216	329,387
Other Expenditure: Management and Administration of the Charity	22,339	78,802
Total Resources Expended	440,555	408,189
Net Incoming Resources for the year	23,273	13,219
Fund Balances brought forward	158,793	145,574
Fund Balances carried forward	182,066	158,793

The net movement in funds for the years stated above arose entirely from continuing activities. There are no recognised gains or losses for the years above other than those included in the above Statement of Financial Activities. The notes from Pages 17 to 23 form part of these accounts. Above is the Highway of Holiness performance statement and the Balance Sheet below reflects a true and fair view of the church's position as of 31 October 2023.

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Statement of Financial Activities for the Year Ended 31 October 2023

5. Statement of Financial Position as of 31 October 2023

	2022–2023	2021–2022
Fixed Assets		
Tangible Fixed Assets	5,415	7,219
Current Assets		
Debtors	8,610	18,610
Advance Payment	9,250	9,250
Restricted Amount at Bank Re Grant	71,401	32,796
Funds Deposited by Members Specifically for the Church Building Project	135,922	116,439
Balance at Bank and in Hand	158,320	67,730
	383,503	244,825
Liabilities		
Operational Liabilities falling due within one year	49,561	39,297
Other Committed Liabilities Not Yet Paid and due within the Short-term	85,319	29,796
	134,880	69,093
Net Current Assets	248,624	175,732
Net Assets	254,038	182,951
Funds		
Restricted Grants	71,401	32,796
Members Restricted Donations for Building Project	135,922	116,439
Restricted Operational Emergency Reserve	22,847	17,347
Unrestricted Operational Reserve	18,869	16,369
General Performance Reserve for Core Church Operation - Equipment	5,000	
	254,038	182,951

Approved by the Board of Trustees on 12 April 2024.

Signed: *Alex Gyasi*

Rev Alexander Gyasi - MBE

Chairman of the Trust

For and on behalf of Trustees and Members of Highway of Holiness

Date: 12 April 2024

The notes to accounts are on pages 20 to 27.

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Statement of Financial Activities for the Year Ended 31 October 2023

6. Notes to the accounts: Year ended 31 October 2023

6.1 Accounting Policies

6.1.1 Basis of measurement and preparation of accounts

Highway of Holiness, a UK-registered charity, prepares its financial statements using the historical cost convention in compliance with the Financial Reporting Standard for Smaller Entities (Effective April 2008) and the revised Statement of Recommended Practice 'Accounting for Charities' (SORP). The financial statements are based on the accrual basis of accounting, following the applicable Financial Reporting Standard for Smaller Entities (FRSSE) at the reporting time. All assets and liabilities are recorded at historical cost, and there are no financial instruments measured at fair value as per relevant accounting standards for Highway of Holiness.

6.1.2 Tangible Fixed Assets Depreciation Policy

Tangible fixed assets are capitalised, considering any grants receivable, and are depreciated over their estimated useful lives. The depreciation is calculated using the reducing balancing capitalising method at the following rates:

- Equipment: 25% on Net Book Value
- Furniture: 25% on Net Book Value
- Fittings: 25% on Net Book Value

The financial statements will disclose the estimated useful lives and depreciation rates applied to different asset categories. The straight-line method may be used for depreciation unless a different approach, like the reducing balance method, is deemed more appropriate.

6.1.3 Income Recognition

Income is recorded on an accrual basis, except for donations, which are recognised when received during the period. Income will be acknowledged when there is a probable inflow of economic benefits to the charity, and the amount can be reliably measured. Donations and grants received will be recognised as income when the charity gains control over the contribution, usually upon receipt.

6.1.4 Expenditure

All expenses are recorded on an accrual basis. Direct charitable expenditure pertains to costs directly related to the charity's objectives, while administrative costs cover central administration expenses and wages. Both types of expenditure are recognised in the relevant accounting period.

6.1.5 Valuation information and policy

When relevant, valuations will be conducted based on the lower cost and net realisable value, considering any obsolescence. Cost includes all direct expenditures and an appropriate portion of fixed and variable overheads. Valuation of assets and liabilities will be carried out following the

HIGHWAY OF HOLINESS

Statement of Financial Activities for the Year Ended 31 October 2023

applicable accounting standards, considering potential obsolescence, and recording all directly attributable expenses and a suitable portion of fixed and variable overheads.

6.1.6 Funds

The charity's funds are categorised into restricted funds, designated for specific dedicated purposes as identified by donors, and unrestricted funds, available for the trustees' discretion.

6.1.7 Financial Reporting

The financial statements will be prepared following relevant accounting standards to present a true and fair view of the charity's financial position, performance, and cash flows. The statements will consist of a balance sheet, income statement, statement of cash flows, and accompanying notes, as mandated by accounting standards and legal requirements.

6.1.8 Compliance with Legal and Regulatory Requirements

The accounting policies and practices will comply with the guidelines of the Charity Commission for England and Wales (or the relevant regulatory authority) and other relevant laws and regulations governing the operations and reporting of charities.

6.1.9 Changes in Accounting Policies

Any changes in accounting policies shall be disclosed in the financial statements, along with the reasons for the change and its impact on the financial results.

6.1.10 Accounting Records and Documentation

Proper accounting records and documentation shall be maintained to support the financial transactions and provide an audit trail for the financial statements.

6.1.11 Gift Aids Received and Receivable

Following the principles of recognisability and prudence, this classification is treated as an off-balance sheet item, instilling confidence in members that gift aid claimed and claimable will replace members' restricted reserve used for humanitarian purposes. This policy covers the amount available as a deposit for building funds and purchase processing costs. Trustees will continue engaging with HOH members as has been the case for prior years on hedging gift aid receipts, guided by PMCT Accountants & Consultants, using the already implemented bank client account to safeguard the HOH building fund hedging strategy. This measure limits exposure and enhances the probability of allowing members' restricted funds to be used for humanitarian activities while ensuring the specific project donations for purchasing the church building are securely managed.

6.1.12 Going Concerned

The financial statements shall be prepared on a going-concern basis unless there is significant uncertainty about the charity's ability to continue its operations. In such cases, appropriate disclosures shall be made in the financial statements.

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Statement of Financial Activities for the Year Ended 31 October 2023

6.2 Statement of Performance as of 31 October 2023

	2022–2023	2021–2022
Incoming Resources		
Prior Year Unrestricted Reserve (Advance) now as Income	32,796	38,886
Donations	225,240	205,608
Grants Allocated	205,792	176,914
Total Incoming Resources	463,828	421,408
Direct Charitable Expenditure on Direct Charitable Objectives		
Allowances - Highway House	72,122	87,987
Allowances - Highway of Holiness	27,900	27,083
Community Humanitarian Care and Homeless Programme	202,074	163,477
Departmental and Responsibility Management	68,240	49,358
Lease Rent	45,793	36,301
Office Rates	2,086	2,595
	418,216	366,801
Management and Administration Expenses		
Training		1,355
Motor Expenses	1,790	6,167
Light & Heat	2,163	3,161
Telephone and Fax	681	822
Books, Tapes, Stationery & Administration	4,611	12,790
Insurances	2,348	2,554
Repairs and Renewals		630
Software	1,845	1,388
Depreciation (Capital Allowance)	1,804	2,406
General Maintenance Department		1,593
Accountancy and Professional Fees	3,750	3,500
Consultants and Advisory	3,000	5,000
Subscription	1,681	
Bank Charges	89	
Bank Interest	(1,423)	
	22,339	41,388
Total Expenditure	440,555	408,189
Net Surplus or Deficit	23,273	13,219
Fund Balances brought forward	158,793	145,574
Fund Balances carried forward	182,066	158,793

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Statement of Financial Activities for the Year Ended 31 October 2023

6.3 Direct Charitable Expenditure on Direct Charitable Objectives

Direct Charitable Expenditure on Direct Charitable Objectives		
Allowances - Highway House	72,122	87,987
Allowances - Highway of Holiness	27,900	27,083
Community Humanitarian Care and Homeless Programme	202,074	163,477
Departmental and Responsibility Management	68,240	49,358
Lease Rent	45,793	36,301
Office Rates	2,086	2,595
	418,216	366,801

6.4 Management and Administration Expenses

	2022 – 2023	2021 – 2022
Training		1,355
Motor Expenses	1,790	6,167
Light & Heat	2,163	3,161
Telephone and Fax	681	822
Books, Tapes, Stationery & Administration	4,611	12,790
Publication and Advertising		22
Insurances	2,348	2,554
Repairs and Renewals		630
Software	1,845	1,388
Depreciation (Capital Allowance)	1,804	2,406
General Maintenance Department		1,593
Accountancy and Professional Fees	3,750	3,500
Consultants and Advisory	3,000	5,000
Subscription	1,681	
Bank Charges	89	
Bank Interest	(1,423)	
	22,339	41,388

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Statement of Financial Activities for the Year Ended 31 October 2023

6.5 Assets and Capitalisation 2022 - 23

Cost	Equipment	Furniture	Fittings	Total
As of 01 November 2022	35,268	11,309	58,290	104,867
Additions				
Disposal				
	35,268	11,309	58,290	104,867
Depreciation				
As of 01 November 2022	31,216	9,587	56,845	97,648
Charge for the Year - 2022 - 23	1,013	430	361	1,804
Disposal				
	32,229	10,017	57,206	99,452
Net Book Value - 31 October 2023	3,038	1,292	1,084	5,415
Net Book Value - 31 October 2022	4,051	1,722	1,445	7,219

6.6 Departmental and Responsibility Management

	2022 - 23	2021 - 22
Youth and Retreat Expenses	18,240.00	13,009
Audio Ministry	4,459.00	3,600
Music & Worship	7,697.75	6,899
Prayer Ministry	3,600.00	1,320
Outreach Expenses	9,291.64	6,264
Visiting Preachers	2,200.00	1,750
Mission & Evangelism	8,201.64	8,515
Members Welfare	14,550.00	8,000
	68,240.03	49,357

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Statement of Financial Activities for the Year Ended 31 October 2023

6.7 Grants Account Details and Applied Usage

	Start Date	End Date	Grant Received	Grant Allocated	Restricted Reserve
				2022 - 23	2023 - 24
				Prior Year Restricted Reserve	Prior 01/11/2021 - 1/10/2022
The National Lottery Community Fund	01/09/2022	01/02/2023	8,140.00	5,426.67	2,713.33
The National Lottery Community Fund	19/08/2022	18/02/2023	54,739.00	27,369.50	27,369.50
Allocated Grant Re 2021-22			62,879.00	32,796	30,083
The National Lottery Community Fund	18/08/2023	17/02/2024	51,733.50	21,555.63	30,177.88
Department for Levelling Up, Housing and Communities	01/03/2022	31/03/2023	126,524.00	126,524.00	
Department for Levelling Up, Housing and Communities	01/04/2023	31/03/2024	73,935.00	43,128.75	30,806.25
Department for Levelling Up, Housing and Communities	01/04/2023	31/03/2024	25,000.00	14,583.33	10,416.67
			277,192.50	205,791.71	71,400.79
Total Grant Received for 2022 - 23				238,587.88	

6.8 Grant Usage

		2022 - 23
Prior Year Restricted Reserved		32,796
Grant Received and Allocated		205,792
Grant Income Allocated and Used		238,588
	Expenses	
Allowances - Highway House	72,121.73	
Community Meal	21,484.47	
Local Committee Feeding	16,250.00	
Local Youth Project	9,100.00	
Rented for Homeless - Utilities and Other Households	121,513.10	
	240,469.30	240,469.30
Finance from Highway of Holiness		1,881.43

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Statement of Financial Activities for the Year Ended 31 October 2023

6.9 Trustees Commitment Grant Funded Project – Shortfall Financed by the Church

Due to insufficient grant funding, the church utilised a portion of its accumulated restricted building funds to support grant-funded projects within its community initiatives, categorising the expenditure under the ministry.

		2022 - 23
Grant Funded Projects Financed by the Church		
Finance from Highway of Holiness		1,881.43
Allocation of Grant		
Feeding - Community	1,855.00	
Food Vouchers – Homeless	1,250.00	
Local Community Support	1,400.00	
Hotel Accommodation	5,000.00	
Transportation and Travel Expenses	455.00	
Homeless Project Expenditure	3,555.00	
Day Care Centre - Weekly Food Feeding Programme	2,475.00	
Participants Care: Washing and Bathing Support including toiletries and hygiene	2,628.00	
Day Care Participants Care: Clothing and Shoe Support	1,379.00	
Cash Disbursement on Family Food Support	2,500.00	
Utilities - Water, Gas, and Electricity	1,250.00	
Community Homeless and Family Support	2,875.00	
Sub-Total	26,622.00	26,622.00
Total of Grant Funded Project Financed by the Church		28,503.43
Community Humanitarian Care		
Day Care Participants Care: Clothing and Shoe Support	14,500.00	
Community Youth Club	3,745.00	
Supplementary Saturday School - Primary School Children	4,015.00	
Cash Disbursement on Family Food Support	4,020.00	
Sub-Total	26,280.00	26,280.00
Total Community Funded by the Church not funded by Grant		54,783.425

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Statement of Financial Activities for the Year Ended 31 October 2023

6.10 Trustees Commitment – Homeless Project-Specific

No amounts were paid to any trustees during the year in respect of their duties as trustees. The Office of Ministers' total payment was £25,938.00 which is at the same level for the past 2 years for duties as a full-time Christian Minister. The church also employs 4 specialists for its undertakings and that implies enrolling in stakeholder pensions for all employees.

Trustees are committed to complying with stated regulations applicable to operations and readily outsource expertise to meet new challenges in short to medium terms if needed expertise is not available.

	2022 - 23
Feeding - Community	15,600.00
Food Vouchers - Homeless	45,361.02
Local Community Support	16,250.00
Hotel Accommodation	68,386.63
Transportation and Travel Expenses	
Homeless Project Expenditure	13,649.92
Total	159,247.57

There are other direct related costs associated with the significant cost centres stated above.

6.11 Reserve Policies

	2022 - 23	2021 - 22
Funds		
Restricted Grants	71,401	32,796
Members Restricted Donations for Building Project	135,922	116,439
Restricted Operational Emergency Reserve	22,847	17,347
Unrestricted Operational Reserve	18,869	16,369
General Performance Reserve for Core Church Operation	5,000	
	254,039	182,951