

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2020**

**NEWSPRING
CHURCH**

CHARITY REGISTRATION No: 1052699

Independent Examiners Ltd
2 Broadbridge Business Centre
Delling Lane
Bosham
West Sussex
PO18 8NF

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LEGAL AND ADMINISTRATIVE INFORMATION

OTHER NAMES	Wakefield Covenant Community (Old Name) The King's Church, Wakefield (Old Name)
DATE OF REGISTRATION	6th January 1996
CHARITY NUMBER	1052699
START OF FINANCIAL YEAR	1st September 2019
END OF FINANCIAL YEAR	31st August 2020
TRUSTEES AT 31ST AUGUST 2020	Adam Sessions Julia Ford John Mellor Robert Haley (appointed 25 November 2019) John Ledgeway (resigned 25 November 2019)

The existing trustees appoint any new trustees following the provisions set out in the governing document.

GOVERNING DOCUMENT

The charity is controlled by its governing document, a deed of trust, dated 6th January 1996 as amended by supplemental deeds dated 1st June 1998, 3rd November 2013 and 23rd March 2014.

OBJECTS

1. The advancement of the Christian Faith. **2.** The relief of persons who are in conditions of need, hardship or distress or who are aged or sick. **3.** The advancement of education on the basis of Christian principles.

REGISTERED ADDRESS	The NewSpring Centre Illingworth Street Ossett West Yorkshire WF5 8AL
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BANKERS	HSBC Bank plc 66 Westgate Wakefield West Yorkshire WF1 1XB
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INDEPENDENT EXAMINER	Independent Examiners Ltd 2 Broadbridge Business Centre Delling Lane Bosham West Sussex PO18 8NF
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INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS

Report to the trustees/ members of Newspring Church on the accounts for the year ended 31st August 2020 set out on pages 10 to 18.

Respective responsibilities of trustees and examiner

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

It is my responsibility to:

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

Basis of independent examiner's statement

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

Independent examiner's statement

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

1. which gives me reasonable cause to believe that in, any material respect, the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act

have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

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Dated: 29th June, 2021

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TRUSTEES REPORT FOR THE YEAR ENDED 31ST AUGUST 2020

AIMS AND OBJECTIVES

The trust considers that it meets the Charity Commission Public Benefit Criteria. The Trust Deed dated 6th January 1996 set the charitable objectives as:

1. Advancement of the Christian Faith.
2. Worship and proclamation of the gospel, teaching of Christian doctrine and principles, distribution of literature and media.
3. Relief of the poor, aged, or sick.
4. The advancement of Christian education.

The charity primarily operates in the Wakefield area of West Yorkshire, but will sometimes work with, or otherwise support other churches in the UK and overseas with similar aims and objectives as the church leadership directs.

PUBLIC BENEFIT CRITERIA

The trustees regularly review the objectives and activities of the charity, including giving due regard to the Charity Commission's general guidance on public benefit and on the advancement of religion for the public benefit.

Examples of how the Trust has met the Public Benefit Criteria:

1. Regular open public meetings, outreach and events with publicity and invitations circulated in the local area. Hospitality and refreshments are offered to all free of charge. During the period of covid-19 restrictions, meetings switched to an online publicly accessible platform.
2. Ongoing provision of financial and practical assistance from the Trust and church members to local people in need, including regular support and donations to the local foodbank in Ossett
3. Provision of financial aid overseas to the poor and those in adversity.
4. Ongoing investment and refurbishment in the New Spring Centre to make it suitable and capable of hosting an increasing range of events and activities to benefit local people.
5. Providing facilities / accommodation from time to time, to local community groups and users for non-church related activities.

In the last few months of the reporting year, the church complied with any and all national and local public health restrictions in relation to public gatherings and use of the NewSpring Centre. Continuing as many activities and functions virtually/digitally as possible.

ORGANISATIONAL STRUCTURE

NewSpring Church is run on a day to day basis by an Eldership supported by Deacons, a Church Administrator and a team of volunteers. The Trustees meet regularly to discuss the business of the Church and to deal with the administration of the Charity. Agendas are prepared for meetings in advance, and minutes are taken recording matters of importance, note and/or points for action. Each year budgets are discussed and the trustees track expenditure through the year. Decisions are always made by the required quorum of trustees, except for certain minor urgent matters where two trustees may need to take decisions because it is not always possible or practical to convene the full group of trustees. In those instances, the remaining trustees are notified of decisions as soon as it is practical to do so.

In this financial year, the individuals receiving financial benefit from the charity are the Lead Elder, who is employed on a part time, self-employed basis, a part time church administrator and a part time caretaker. All of these roles are essential to the effective running of the church. None of these individuals are connected to the trustees, but it is worth noting that the lead elder, Mr Ledgeway, had served as a Trustee for the last couple of years, but in September 2019 he also took over the lead elder role. In December 2019 he resigned as a Trustee, mainly in order to avoid conflicts and to help him manage workload generally prior to any discussions being held or decisions taken about financial support for him. Immediately following his resignation, a new trustee was appointed.

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TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31ST AUGUST 2020

ACHIEVEMENT AND PERFORMANCE

Charitable Activities

The trustees are mindful that the activities carried out by the charity in pursuit of its charitable objectives should benefit the local community within which NewSpring Church is based, as well as regular members of the congregation.

The 2019/2020 church reporting and financial year has been a year of significant change. In September, the lead elder in the church and his wife were released from day to day leadership of the congregation in Ossett and embarked upon a mission to establish a new church community in nearby Wakefield city. A third elder was simultaneously appointed, and the three elders assigned responsibilities between themselves. At the church AGM in early October, a roundup of the previous year was given and plans for the coming year set out. A year earlier, 'The Big Project' had been launched with ambitious redevelopment/re-configuration plans had been discussed and rolled out. In the intervening period the scale of what had been envisaged had become clear, and funding applications had been unsuccessful, which led to a pause and the review of the plans. However, with the triggering of planning and building regulations applications had come a direction from the Fire Service, limiting the occupancy of the first floor of the NewSpring Centre for public meetings to 60 due to the existence of only one fire escape route. Meetings and events needed to be re-organised with greater use of ground floor meeting rooms and urgent review of the steps necessary to overcome this restriction. Despite the need for urgent alterations to the access and egress arrangements, the elders of the church and the trustees have been keen to focus more resource in general at community outreach activity and less of its donation revenue on building work. The ground floor rooms were able to be used for activities on a weekly basis by various groups, for social events, celebrations, relationship groups, a support group, mother and toddler groups and Sunday school groups. There was an upgrade to the heating controls during the autumn to give greater control, efficiency and to ensure the building environment remained comfortable and useable year-round. Through the first half of the year, the weekly Sunday morning services continued to attract new visitors to the church. This has also led to a need to juggle attendance among some of the church's established congregation because of the limitations imposed at the start of the year, explained above.

At the Members AGM in September, there was discussion about the progress with major building development proposals, known as 'The Big Project' and first discussed almost a year prior. An architect had been engaged to develop designs and ideas to create facilities that can host and cater for individual and groups from the local community whom the church wishes to serve, for example the current users of the building, such as the Brick House Youth Club and the community choir, but also for purposes such as seniors lunches and providing breakfasts for local school children during school holidays. All of those aspirations were still there, but now the focus had switched to quantifying the work necessary to enable meeting numbers to increase beyond the new limit, whilst still incorporating some works to the kitchen and dining facilities. With no proper kitchen in particular and basic serving facilities in general, we have not been able to explore such initiatives beyond mere aspiration to this point. During the course of the year, the option to add an extra floor to the building was postponed indefinitely and new revised plans were drawn up for the new scaled back proposals.

Working with local councillors and sharing our vision with them, the Church was able to secure some capital funding in the spring of 2020 by means of a grant for the access and egress works. Ironically, the funds were secured at around the same time the pandemic forced the closure of the building to public use. Nevertheless the money remains on deposit, together with existing earmarked church donor funds that are still to be added to through regular giving.

The impact of the Covid-19 Pandemic Restrictions

It has been a year of two halves, with the first six months seeing a programme of meetings and events that were well attended and enjoyed. Following the implementation of government restrictions in March, the church ceased physical meetings and events at the NewSpring Centre, with a switch to virtual formats wherever possible / practical to do so.

Pastoral, prayer and teaching groups moved online relatively easily via Zoom and other applications and maintaining connections against a background of shielding and social distancing has been particularly important, albeit not always easy. Between March and August, the online meetings were the only real means of group contact and interaction, but engagement levels remained moderately strong, as did the level of giving and donations, against a background of reduced operating costs.

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TRUSTEES REPORT (continued) FOR THE YEAR ENDED 31ST AUGUST 2020

The other main impact of the pandemic restrictions was on the church's ability to roll out its mission to plant a new church congregation in Wakefield city. The church 'Plant', or 'Resurrection Church' as it was to be known, could not start meeting and outreaching for obvious reasons, and so the decision was taken to postpone the activity until government restrictions are lifted sufficiently to allow the initiative to be taken forward with the best possible chance of success.

Prior to the introduction of restrictions, the charity continues to support and provide resource for Men's and Ladies groups that met regularly throughout the year. As in the previous year, there was a men's retreat held in October at the Jonas Centre in Redmire.

NewSpring Church is affiliated with a church network known as Catalyst, which comprises around 80 other churches in the UK and many more overseas. This connection led to training and encouragement being offered to the membership in discipleship and evangelism among other subjects. In November a Mission and Discipleship weekend was held, led by Russell Godward of the MOVE Network. Also, several visiting speakers joined us on Sunday mornings during the first half of the year. Of particular note were Dennis and Ashish Varghese from the Bible Church of God in Amritsar. The congregation was greatly encouraged by the reports of the growth and influence of Christianity in India, but also learnt of practical challenges in maintaining the work, including the need to establish a further bible school for teaching and training. The church was able to give some financial support for this, and then later in the year after Covid-19 particularly hit India during the first wave, which prevented the gathering in of crops, the church were able to provide further assistance to help alleviate hunger and food shortages generally. Around the same time, the church was also able to send support for famine relief to Southern Zambia and Malawi, through a sister network of churches known as Christ Central.

Kingdom Heart – which was set up, and run by church members volunteering their time combined with money from the Seed Fund to provide support, aid and gifts to various groups and individuals was able to provide 'Blessing Hampers' to local families in need also continued this year at Christmas. Post lockdown the main source of donations and support has been through contributions to the local Ossett foodbank which is well established.

The Gateway support programme continued meeting, attended by several previous and new attendees, running up until closure of the building in the spring. This much valued course continues to provide through the work of the volunteers and the course materials, assistance and strategies for people with life-controlling issues. It is a forum which enables them to discuss their problems and seek ways to break negative patterns of behaviour and regain control of their lives.

The 'Jelly Babies' group - a place for mothers and toddler in the locality to come for fellowship and support on a weekly basis operated successfully, with a large attendance up until the closure of the building in March and hopes to be able to restart as soon as restrictions allow.

FINANCIAL REVIEW

Review of Year ending 31st August 2020

As in previous years, the giving of the church has provided the vast majority of the income for the year. In comparison with the previous year, overall donation revenue is slightly down, which is to be expected given the limited scope for the church to function in the latter half of the year. Giving by the church congregation remained strong through, and nearly all giving was by bank transfer in the second half of the year. The releasing of the full time elder in September 2019 and commensurate reduction in salary outgoings also made a notable difference to the finances generally.

The main points of note:

1. Expenditure on the building was fairly static for the reasons explained earlier the report. The 'Big Project' has been set up as a standalone project within the accounts and has its own bank account. The only costs so far have been professional fees for the feasibility work and drawings, surveys and statutory applications.

2. The amount spent on ministry decreased significantly as the church no longer had a full time elder. Salaries therefore reduced to a much lower level than the past several years. Consideration was given to using the CJRS for the two part time employees, but it was felt their time could still be used reasonably effectively, and the congregation were continuing to donate to (in part at least) pay for the running of the church.

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TRUSTEES REPORT (continued) FOR THE YEAR ENDED 31ST AUGUST 2020

FINANCIAL REVIEW (continued)

3. Expenditure reduced overall with decreased outgoing in utility costs and meeting expenses for obvious reasons with the closure of the building.

4. The cash in the bank at the end of the accounting period is considerably higher than the previous year, mainly due to the balances of the two restricted funds as set out below.

5. Income from Gift Aid had reduced this year in a continuing trend. This is mainly due to an increasing number of donors either becoming non-taxpayers, or not having paid sufficient tax to cover potential gift aid claims

The charity is content that the finances are sufficiently stable, whilst it continues to pursue its stated aims. Expenditure on reduced-scale building projects will now be financed through existing restricted funds and will be supplemented by grants or special offerings wherever possible, with the charity's focus continuing to be people and activities/programmes/outreach, and how the facilities can support that focus through the Big Project.

RESTRICTED FUNDS

NewSpring holds two main restricted funds. The Big Project fund has seen some expenditure this year on professional fees and application costs, but also benefitted from a capital grant from the local authority, leaving a balance at year end of approximately £33k. It was reported last year that just before the end of the 2018-19 year, we received funds of just under £37k from our related church network, Catalyst, given specifically for the purposes of church planting activity in Wakefield city over the following two years and to cover the expenses of the same. That has been added to in the current year, and minimal expenditure made due to the impact of the pandemic. The balance held on this account is circa £41k at year end.

ACCOUNTING SYSTEM EMBEDDED

The trust church now uses QuickBooks Online, streamlining and greatly simplifying the ongoing financial record keeping which had previously relied on a basic accounting system with limited functionality and supplementary spreadsheets. The Trustees are very happy with the new system that also handles payroll functions at minimal cost.

FINANCIAL CONTROLS

Management reports are issued monthly to the trustees to review income and expenditure, weekly updates on general levels of donations received and account movements are reviewed and discussed at trustee meetings with Finance, and upcoming commitments a fixed item on all trustee meeting agendas. In terms of practicalities, the trustees review existing financial controls whenever there is a change of trustees or eldership, and decisions are required about who has account access, for what purpose and at what level, with the overall governing principle remaining, whereby a quorum of trustees are needed to approve expenditure. With the changes in ministry outgoings and arrangements and the management of two major projects now evolving, the trustees reviewed and agreed updated financial controls in relation to the Church Plant restricted fund in October 2019. Additionally, there were further decisions taken about financial policy in the light of pandemic restrictions when the trustees held an interim meeting in April 2020. Given the lack of activity and expenditure generally in the latter half of the year, there has been no particular need to introduce any new processes or protocols in relation to general funds.

RELATED PARTIES

None of the trustees receive any benefit or income from the charity, either financial or otherwise. There is one connected party who receives a benefit:

Mrs K Ledgeway, wife of Mr J Ledgeway (elder and trustee). She was appointed two years earlier to undertake weekly cleaning and other related facilities management tasks for five hours per week. Mr Ledgeway was not involved in the selection or recruitment process, as documented in the minutes of the respective meeting in March 2018. Further, as noted in earlier in this report, Mr Ledgeway resigned as a trustee in December 2019. Following his resignation, the trustees took the decision to provide him with a regular amount of ministry support, equating to approximately one day per week.

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TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2020

VOLUNTEERS

As noted earlier in the trustees' annual report, NewSpring benefits from the time and talents of volunteers to put on meetings, events and other activities. These individuals are almost entirely made up of members of the congregation and the purpose of volunteer participation is not related to fundraising for the charity. The duties the volunteers undertake are relatively informal and unstructured and include stewarding meetings, greeting attendees, putting out chairs, and serving refreshments, etc. as and when physical meetings have been permissible. All volunteers are DBS checked and work in pairs where deemed necessary and appropriate.

RESERVES POLICY

The trustees consider it prudent to set aside an amount of money that would allow it to continue to operate for three months if income reduced or ceased with little prior notice. Whilst the trust does carry a balance at year end, it is not sufficient to cover a three month period, but the year generally has been unusual and quite unpredictable. Any reserves policy is to be kept under review and as always, has had to be balanced against the general default position of the trustees, which is not to accumulate or carry excessive balances, as the money received has been given for charitable purposes, not for holding.

PRINCIPAL FUNDING SOURCES

The principal sources of funding for the charity are the regular and individual gifts from church members and the consequential Gift Aid which the charity is able to reclaim from HMRC. The church also received a capital grant this year of circa £22k from the local authority, the first grant of remotely this size since the church was first established in the 1980's.

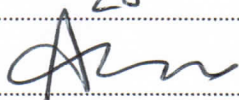
TRUSTEES' RESPONSIBILITIES

The Charities Act 2011 require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the surplus of the trust for that period. In preparing those financial statements the trustees are required to:

- i) Select suitable accounting policies and apply them consistently
- ii) Make judgements and estimates that are reasonable and prudent
- iii) Prepare financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in existence.

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the trust. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on the 28th June 2021.....

Signed on their behalf by Trustee 

Printed Name: Adam Sessions

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST AUGUST 2020

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2019/20 £	TOTAL 2018/19 £
INCOME						
Income from Generated Funds						
Donations & Legacies	3a	74,286	3,858	43,454	121,598	162,184
Charitable Activities	3b	1,420	-	-	1,420	4,365
Other Trading Activities	3c	1,629	-	-	-	2,866
Investment Income	3d	5	-	20	25	16
Other	3e	281	-	23,509	23,790	165
TOTAL INCOME		77,622	3,858	66,983	148,463	169,596
EXPENSES						
Cost of Charitable Activities	4a	50,402	5,020	40,974	96,396	106,222
Other	4b	16,201	-	-	16,201	16,460
TOTAL EXPENSES		66,603	5,020	40,974	112,597	122,682
NET INCOMING/ (OUTGOING)		11,019	(1,162)	26,009	35,866	46,914
Funds Brought Forward		105,237	3,409	51,924	160,570	113,656
Loss on Disposal of Fixed Assets		-	-	-	-	-
Transfer Between Funds	5	(1,469)	1,469	-	-	-
TOTAL FUNDS CARRIED FORWARD		114,787	3,716	77,933	196,436	160,570

Movements on all reserves and all recognised gains and losses are shown above. All of the organisation's operations are classed as continuing.

The notes on pages 12 to 18 form part of these financial statements.

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BALANCE SHEET AS AT 31ST AUGUST 2020

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31-Aug-20 Total £	31-Aug-19 Total £
Fixed Assets						
Tangible Assets	2	292,635	-	-	292,635	297,086
Total Fixed Assets		292,635	-	-	292,635	297,086
Current Assets						
Debtors & Prepayments	8	8,151	-	-	8,151	4,714
Cash at Bank and in Hand	7	11,598	3,716	78,758	94,072	63,119
Total Current Assets		19,749	3,716	78,758	102,223	67,833
Creditors: Amounts falling due within one year	9	18,619	-	825	19,444	21,846
NET CURRENT ASSETS		1,130	3,716	77,933	82,779	45,987
TOTAL ASSETS less current liabilities		293,765	3,716	77,933	375,414	343,073
Creditors: Amounts falling due in more than one year	10	178,978	-	-	178,978	182,503
NET ASSETS		114,787	3,716	77,933	196,436	160,570

FUNDS OF THE CHARITY

General funds		114,787	-	-	114,787	105,237
Designated funds	5	-	3,716	-	3,716	3,409
Restricted funds	6	-	-	77,933	77,933	51,924
TOTAL FUNDS		114,787	3,716	77,933	196,436	160,570

Approved by the Trustees on the 28th June 2021

Signed on their behalf by Trustee

Printed Name: Adam Sessions

NEWSPRING CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2020

1. ACCOUNTING POLICIES

Basis of Preparation & Assessment of Going Concern

Basis of Preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP - FRS102) and the Charities Act 2011.

The Charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy notes.

Assessment of Going Concern

Preparation of the accounts is on a going concern basis. The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

Incoming Resources

Recognition of Incoming Resources

These are included in the Statement of Financial Activities (SOFA) when:

- the charity becomes entitled to the resources;
- the trustees are virtually certain they will receive the resources; and
- the monetary value can be measured with sufficient reliability

Incoming Resources with Related Expenditure

Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resource and related expenditure are reported gross in the SOFA.

Grants and Donations

Grants and Donations are only included in the SOFA when the charity has unconditional entitlement to the resources. A grant of £23,509 was received from the City of Wakefield Metropolitan District Council.

Tax Reclaims on Donations and Gifts

Incoming resources from tax reclaims are included in the SOFA at the same time as the gift to which they relate.

Gifts in Kind

Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised. Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity. Gifts in kind for use by the charity are included in the SOFA as incoming resources when receivable.

Donated Services and Facilities

These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources

Volunteer Help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual

Investment Income

This is included in the accounts when receivable.

Investment Gains and Losses

This included any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST AUGUST 2020

1. ACCOUNTING POLICIES (continued)

Expenditure and Liabilities

Liability Recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Governance Costs

Include costs of the preparation and examination of statutory accounts, the costs of the trustees meetings and cost of any legal advice to trustees on governance or constitutional matters.

Grants with Performance Conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SOFA once the recipient of the grant has provided the specified service or output.

Grants Payable without Performance Conditions

These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to a grant which remain in control of the charity.

Support Costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of the resources, eg allocating property costs by floor areas, or per capital, staff costs by the time spent and other costs by their usage.

Fixed Assets

These are capitalised if they can be used for more than one year, and cost at least £1,500. They are valued at cost or, if gifted, at the value to the charity on receipt.

Depreciation Expense

Depreciation is calculated at a rate to write off the cost of tangible fixed assets on an appropriate basis over their estimated useful lives. The rates applied per annum are as follows:

Fixtures, Fittings &	10% Reducing Balance Basis
General Equipment	20% Reducing Balance Basis
Project Costs	33% Straight Line Basis

2. TANGIBLE FIXED ASSETS

		Land & Buildings	Project Costs	Fixtures & Fittings	General Equipment	Total 2019/20
		£	£	£	£	£
Cost	01-Sep-19	270,000	-	43,587	20,364	333,951
Additions		-	-	676	953	1,629
Disposals		-	-	-	-	-
Cost at	31-Aug-20	270,000	-	44,263	21,317	335,580
Depreciation	01-Sep-19	-	-	20,275	16,590	36,865
Charge		-	-	4,426	1,654	6,080
Disposals		-	-	-	-	-
Depreciation at	31-Aug-20	-	-	24,701	18,244	42,945
Net Book Value	31-Aug-20	270,000	-	19,562	3,073	292,635
Net Book Value	31-Aug-19	270,000	-	23,312	3,774	297,086

The annual commitments under non-cancelling operating leases and capital commitments are as follows:

31st August 2020: See note 10 of the Reports & Financial Statements.

31st August 2019: See note 10 of the Reports & Financial Statements.

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST AUGUST 2020

3. INCOME

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2019/20 £	TOTAL 2018/19 £
a) Donations & Legacies					
Tithes & Offerings	62,949	3,312	-	66,261	88,253
Gifts & Donations	-	545	40,841	41,386	57,706
Gift Aid Tax Refund	11,338	-	2,613	13,951	16,225
	74,286	3,858	43,454	121,598	162,184
b) Charitable Activities					
Activities & Events	1,280	-	-	1,280	4,365
Conference & Seminars	140	-	-	140	-
	1,420	-	-	1,420	4,365
c) Other Trading Activities					
Room Hire	1,629	-	-	1,629	2,866
	1,629	-	-	1,629	2,866
d) Investment Income					
Interest	5	-	20	25	16
	5	-	20	25	16
e) Other					
Grants	-	-	23,509	23,509	
Other Income	281	-	-	281	165
	281	-	23,509	23,790	165

NEWSPRING CHURCH

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST AUGUST 2020

4. EXPENSES

		Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2019/20 £	TOTAL 2018/19 £
a) Cost of Charitable activities						
Activities & Events		1,140		-	1,140	6,418
Big Project Costs	6			4,637	4,637	4,591
Building Repairs & Maintenance		1,103	1,978		3,081	1,729
Church Meeting Costs		1,244	-	-	1,244	1,437
Conference & Seminar Costs		322	-	-	322	180
Depreciation Expenses		6,080	-	-	6,080	6,755
Equipment Costs		681	31	-	712	1,781
Gifts & Donations		80		1,317	1,397	1,774
License & Subscriptions		1,445	-	-	1,445	1,719
Ministry Expenses		253	-	-	253	1,732
Ministry Gifts		-		-	-	2,637
Ministry Support		23,981		5,664	29,645	56,290
Office		326	-	-	326	382
Outreach & Evangelism		265	-	-	265	903
Seed Fund	5	-	3,011	-	3,011	1,914
Staff	11	10,769	-	-	10,769	10,769
Sunday School		-	-	-	-	1,385
Telephone		376	-	-	376	415
Training		-	-	-	-	238
Utilities		2,336	-	-	2,336	3,173
Wakefield Church Plant	6	-	-	29,357	29,357	
		50,402	5,020	40,974	96,396	106,222

b) Governance Costs

Insurance Costs		1,488	-	-	1,488	1,487
Independent Examiner's Fee		1,188	-	-	1,188	1,275
Bank & Interest Charges		13,526		-	13,526	13,698
		16,201	-	-	16,201	16,460

NEWSPRING CHURCH

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST AUGUST 2020

5. DESIGNATED FUNDS

	Balance 01-Sep-19 £	Income £	Expenditure £	Transfers £	Balance 31-Aug-20 £
Building Fund	-	540	2,009	1,469	0
Seed Fund	3,409	3,318	3,011		3,716
	3,409	3,858	5,020	1,469	3,716

Building Fund: trustees set aside the first offering of the month plus 25%, in lieu of gift aid, therefore a designated fund to be used to purchase or to fund the refurbishment of NewSpring Centre.

Seed Fund: trustees set aside 5% of Tithe and Offering without any associated gift aid therefore the amount is regarded as a designated fund.

Fixed assets investment purchased from Designated Funds are transferred to the Charity's Unrestricted Fund for general purposes. The Designated funds are wholly represented by the Charity's cash reserves.

6. RESTRICTED FUNDS

	Balance 01-Sep-19 £	Income £	Expenditure £	Transfers £	Balance 31-Aug-20 £
Big Project Fund	14,542	24,091	4,637		33,996
Wakefield Church Plant	36,969	35,896	29,357		43,507
Outreach Fund	313	-	-	-	313
Visiting Speaker Funds	-	714	714	-	-
Other Earmarked Gifts	100	6,283	6,267	-	117
	51,924	66,983	40,974	-	77,933

Wakefield Church Plant - A fund established in August 2018 to hold donations, grants and other income to be used for the purposes of outreach, evangelism and community engagement in Wakefield City, with the purposes of establishing a new community of believers within the city. This fund is intended to run initially for a period of two years, or longer as the trustees decide. Ultimately the Wakefield Church Plant is intended to be self governed and financed once it achieves a viable corporate structure.

Big Project Fund —A fund established to hold donations, grants and other income to be used for the development and Improvement of the NewSpring Centre. The Big project was launched as an initiative in September 2018 and is expected to run for at least five years, or until the trustees otherwise agree.

Building Fund: This comprises earmarked giving by individuals who state at the point of donation (or in advance by way of a regular pledge) that they wish a specific donation to be used for the development and improvement of the New Spring Centre in accordance with building projects and programmes that the Elders and Trustees wish to undertake in accordance with the trust's charitable objectives.

Seed Fund: Earmarked giving from individuals wishing their donation to be used for the purposes of the Seed Fund which entirely for meeting needs, alleviating poverty, and associated charitable objectives.

Visiting Speaker Fund: Special offerings taken at services when. guest speakers have shared the word. This offering, along with a top up from the church general fund, has been presented as a gift to the speaker.

Outreach Fund - A fund for holding earmarked and designated donations and funds to be used specifically for outreach in the local community of Ossett.

Other Earmarked Gifts: These comprise a range of 'throughput' giving initiatives where (for example) a one-off short term need arises and church members give donations specifically earmarked to meet one of those needs. The funds are usually paid out immediately or shortly after receipt to the fund or charity or individual as appropriate.

The Restricted Funds are wholly represented by the Charity's cash reserves.

NEWSPRING CHURCH

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST AUGUST 2020

7. CASH AT BANK AND IN HAND

	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Total 31-Aug-20 £	Total 31-Aug-19 £
Cash at Bank	11,230	3,716	78,758	93,704	62,596
Cash in Hand	368	-	-	368	523
	11,598	3,716	78,758	94,072	63,119

8. DEBTORS AND PREPAYMENTS

	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Total 31-Aug-20 £	Total 31-Aug-19 £
Trade Debtors	8,151			8,151	25
Gift Aid Tax Recoverable	-	-	-	-	4,251
Sundry Debtors		-	-	-	-
Prepayments				-	438
	8,151	-	-	8,151	4,714

9. CREDITORS AND ACCRUALS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Total 31-Aug-20 £	Total 31-Aug-19 £
Trade Creditors	-	-	-	-	405
Deferred Grants	-	-	825	825	1,767
Independent Examiner's Fee	1,188	-	-	1,188	2,325
Kingdom Bank Mortgage	16,991	-	-	16,991	16,991
Sundry Creditors	440	-	-	440	-
Donations to be sent to Beneficiary	-	-	-	-	358
	18,619	-	825	19,444	21,846

10. CREDITORS AND ACCRUALS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Total 31-Aug-20 £	Total 31-Aug-19 £
Kingdom Bank Mortgage	178,978	-	-	178,978	182,503
	178,978	-	-	178,978	182,503

During the year ended 31st August 2013, Newspring Church acquired Land & Building at The NewSpring Centre, Illingworth Street, Ossett, West Yorkshire at a cost of £270,000. The Charity made a capital contribution of £43,000 and remaining funds were provided by a mortgage from the Kingdom Bank Limited.

The Kingdom Bank Limited provided the mortgage of £227,000 over a 30 year fixed term period at an annual interest rate of 6.75%, with monthly repayments of £1,415.92. The mortgage commenced during 2013 with maturity in 2043.

NEWSPRING CHURCH

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST AUGUST 2020

11. STAFF COSTS AND NUMBERS

	2019/20	2018/19
	£	£
Gross Wages and Salaries	10,769	10,769
Employer's National Insurance Costs	-	-
Pension Contributions	-	-
	10,769	10,769

Employees who were engaged in each of the following activities:

	2019/20	2018/19
Activities in furtherance of organisation's objects	2	2

The organisation operates a PAYE scheme to pay all employed members of staff and no employees received emoluments in excess of £60,000 (2018/19:None).

There were also 2 people supported on a self-employed basis which are included in the expenditure note as "Ministry Support Costs" and "Wakefield Church Plant". No one person was paid over £60,000 in total over the year.

12. PAYMENTS TO TRUSTEES AND RELATED PARTY TRANSACTIONS

Wife of J Ledgeway (Trustee until December, 2019)				2019/20	2018/19
	Remuneration	Pension Benefit	Other	TOTAL (£)	TOTAL (£)
Mrs K Ledgeway	2,600	0	0	2,600	2,600

The only other payments made to the Trustees and related parties consisted of reimbursements for items purchased on behalf of the Church in furthering the Charity's objects. No Trustees received any remuneration or benefits in kind during the financial year.

No other payments were made to Trustees or any persons connected with them during this financial year. No other material transactions took place between the organisation and a Trustee or any person connected with them.

13. RISK ASSESSMENT

The Trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining the free reserves stated, combined with the annual review of the controls over key financial systems carried out on an annual basis will provide sufficient resources in the event of adverse conditions. The Trustees have also examined other operational and business risks which they face and confirm that they have established systems to mitigate the significant risks.

14. PUBLIC BENEFIT

The Charity acknowledges its requirement to demonstrate clearly that it must have charitable purposes or 'aims' that are for the public benefit. Details of how the Charity has achieved this are provided in the Report of the Trustees. The Trustees confirm that they have paid due regard to the Charity Commission guidance on public benefit before deciding what activities the charity should undertake.