

**BANGOR PENTECOSTAL CHURCH**  
**Financial Statements**  
**31 December 2021**

**ALEXANDER BURSK LIMITED**

Accountants & statutory auditor

Parkgates  
Bury New Road  
Prestwich  
Manchester  
Lancashire  
M25 0JW

# **BANGOR PENTECOSTAL CHURCH**

## **Trustees' Annual Report**

**Year ended 31 December 2021**

The trustees present their report and the financial statements of the charity for the year ended 31 December 2021.

### **Reference and administrative details**

**Registered charity name** BANGOR PENTECOSTAL CHURCH

**Charity registration number** 1063036-SCO39461

**Principal office** Prince's Road  
Bangor  
Gwynedd  
LL52 2BD

### **The trustees**

Rev. P Edwards  
Dr. T DaCruz  
Dr. B Modubu

**Auditor** Alexander Bursk Limited  
Accountants & statutory auditor  
Parkgates  
Bury New Road  
Prestwich  
Manchester  
Lancashire  
M25 0JW

**Bankers** HSBC  
274 High Street  
Bangor  
Gwynedd  
LL57 1RU

### **Structure, governance and management**

The charity is a trust comprising the Bangor Pentecostal Church and the Annie's Orphans charity shops, and is governed according to the Assemblies of God constitution, and registered in England and Wales. Trustees are appointed by the chief executive.

The charity is part of the Assemblies of God in Great Britain, but decisions are made by its own trustees, with the managers of individual shops having some responsibility for the day-to-day running of the shops. Training for trustees is provided as and when necessary.

The trustees have under consideration the major risks to which the charity is exposed, in order to satisfy themselves that systems and procedures are and will be established in order to manage those risks. These risks relate largely to varying levels of income and to conditions in other countries in which the charity operates.

# BANGOR PENTECOSTAL CHURCH

## Financial Statements

Year ended 31 December 2021

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# **BANGOR PENTECOSTAL CHURCH**

## **Trustees' Annual Report** *(continued)*

**Year ended 31 December 2021**

### **Objectives and activities**

The charity's objects are the promotion of education and training and religious activities for people of all ages, and the provision of employment. Individuals are remunerated as appropriate.

It undertakes various religious activities, provides financial support for various charities, supports building projects for schools and churches in Third World countries, and provides employment by running charity shops in the UK. The charity's homeless program has now been closed because the local authority has housed the homeless due to the pandemic.

Although the charity provides employment through the charity shops it runs in various towns and villages across the UK, the support and the activities which the volunteers provide go a long way towards making the shops successful. Financing various projects would not be possible without the volunteers' support.

Donations are made to a number of charities whose objectives and activities meet those of the Bangor Pentecostal Church and specifically those of Annie's Orphans. The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning their future activities. The charity is a public benefit entity.



# BANGOR PENTECOSTAL CHURCH

## Trustees' Annual Report *(continued)*

Year ended 31 December 2021

### Achievements and performance

During the year, the charity:

- Sustained the running costs (salary of teachers) for the twenty three schools for brick-kiln slave children in Pakistan. £17,771 was sent to cover these costs.
- Continued to bear responsibility for the orphanages in Andhra Pradesh and Tamil Nadu, India, which house sixty five children who continue to be supported until completion of College education.
- Continued to sustain 'street boys ', in Kayanza, Burundi. These children are homeless because of the recent Civil War, which ended in the last few years, and the HIV epidemic in Central Africa. As the boys have been in school for ten years, ten of them are now in Higher Education in the capital city, Bujumbura, fully financed by the Charity. £24,171 was sent to cover these costs.

This year of 2021 it was possible to physically visit the Primary School built in 2020; it had not been possible to do this before because of Covid restrictions; it was possible to meet many hundreds of the children being served by the school. The life of the Community has been changed through this breakthrough in literacy.

During the visit to Burundi it was possible to identify various poorest of the poor situations, hence donations of £39,070 helped rebuild houses and provide transport for those with no means to reach facilities like hospitals etc. Whilst there, Government officials approached us with the need of further clinics and schools.

- Continued to run the charity shops and rebuild a customer base which was depleted because of the Pandemic.

The shops continue to provide employment and volunteer opportunities in the local areas, which has been vital due to the many closures of businesses and depletion of High Streets nationally.

Another 'Partner charity', Love Russia has been added this year, which helps 'Abused Women and Children. (Reg: Charity 1092154)

- Thus it met its objectives for the year.

### Financial review

It is the policy of the charity to retain sufficient funds to meet its immediate needs, and it was able to do this during the year.

The charity is funded by donations received by the church and sales made by the charity shops across the UK, levels of which may in any year vary according to the choices of individuals and the state of the economy. This funding supports the charitable projects undertaken by the charity and the running and upkeep of the shops and the church.

At 31 December 2021, the balance sheet date, the charity held total funds of £43,899 (2020, £18,824) of which £2,775 (2020, £8311)

# **BANGOR PENTECOSTAL CHURCH**

## **Trustees' Annual Report** *(continued)*

**Year ended 31 December 2021**

### **Plans for future periods**

The charity's plans for the future are to continue with its existing work and to reduce its costs, if necessary, by closing unprofitable shops.

### **Trustees' responsibilities statement**

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

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently,.
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, Charities and Trustees Investments (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Trust Deed.

The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement as to disclosure of information to the auditor**

To the best of the knowledge and belief of each of the individuals, who are the Trustees, at the time the report is approved:

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

The trustees' annual report was approved on 14 November 2022 and signed on behalf of the board of trustees by:

Rev. P Edwards  
Trustee



# **BANGOR PENTECOSTAL CHURCH**

## **Independent Auditor's Report to the Members of BANGOR PENTECOSTAL CHURCH**

**Year ended 31 December 2021**

### **Opinion**

We have audited the financial statements of BANGOR PENTECOSTAL CHURCH (the 'charity') for the year ended 31 December 2021 which comprise the statement of Financial Activities (incorporating the Income and Expenditure Account); the Balance Sheet; the Statement of Cash Flows; and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 & 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

# **BANGOR PENTECOSTAL CHURCH**

## **Independent Auditor's Report to the Members of BANGOR PENTECOSTAL CHURCH (continued)**

**Year ended 31 December 2021**

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee investment (Scotland) Act and report in accordance with the Acts, and relevant regulations made or having effect thereunder



# **BANGOR PENTECOSTAL CHURCH**

## **Independent Auditor's Report to the Members of BANGOR PENTECOSTAL CHURCH** *(continued)*

**Year ended 31 December 2021**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org/auditorsresponsibilities](http://www.frc.org/auditorsresponsibilities). This description forms part of the auditor's Report,

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, and on the Financial Reporting Council's website to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included: -

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with laws and regulations considered to have a direct material effect on the financial statements or the operations of the charity through enquiry and inspection,
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# **BANGOR PENTECOSTAL CHURCH**

## **Independent Auditor's Report to the Members of BANGOR PENTECOSTAL CHURCH** *(continued)*

**Year ended 31 December 2021**

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Our audit work has been undertaken so that we might state to the charity's trustees, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

B Fine FCA (Senior Statutory Auditor)

For and on behalf of  
Alexander Bursk Limited  
Accountants & statutory auditor

Parkgates  
Bury New Road  
Prestwich  
Manchester  
Lancashire  
M25 0JW

14 November 2022



# BANGOR PENTECOSTAL CHURCH

## Statement of Financial Activities

Year ended 31 December 2021

		Unrestricted funds £	2021 Restricted funds £	Total funds £	2020 Total funds £
	Note				
<b>Income and endowments</b>					
Donations and legacies	4	104,732	220,400	<b>325,132</b>	348,020
Other trading activities	5	—	298,868	<b>298,868</b>	242,710
Investment income	6	1	—	<b>1</b>	5
Other income	7	—	—	<b>—</b>	12,499
<b>Total income</b>		<u>104,733</u>	<u>519,268</u>	<u><b>624,001</b></u>	<u>603,234</u>
<b>Expenditure</b>					
Expenditure on raising funds:					
Costs of raising donations and legacies	8	71,220	3,960	<b>75,178</b>	70,881
Expenditure on charitable activities	9,10	699	533,701	<b>534,402</b>	549,524
<b>Total expenditure</b>		<u>71,919</u>	<u>537,661</u>	<u><b>609,580</b></u>	<u>620,405</u>
<b>Net income/(expenditure)</b>		<u>32,814</u>	<u>(18,393)</u>	<u><b>14,421</b></u>	<u>(17,171)</u>
Transfers between funds		(22,300)	22,300	<b>—</b>	<b>—</b>
<b>Net movement in funds</b>		<u>10,514</u>	<u>3,907</u>	<u><b>14,421</b></u>	<u>(17,171)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		8,310	21,168	<b>29,478</b>	46,649
<b>Total funds carried forward</b>		<u>18,824</u>	<u>25,075</u>	<u><b>43,899</b></u>	<u>29,478</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 12 to 24 form part of these financial statements.

# BANGOR PENTECOSTAL CHURCH

## Statement of Financial Position

31 December 2021

	Note	2021 £	£	2020 £
<b>Fixed assets</b>				
Tangible fixed assets	16		60,052	55,233
<b>Current assets</b>				
Debtors	17	7,781		4,435
Cash at bank and in hand		25,686		16,604
		33,467		21,039
<b>Creditors: amounts falling due within one year</b>	19	45,708		45,017
<b>Net current liabilities</b>			12,241	23,978
<b>Total assets less current liabilities</b>			47,811	31,255
<b>Creditors: amounts falling due after more than one year</b>	20		3,912	1,777
<b>Net assets</b>			43,899	29,478
<b>Funds of the charity</b>				
Restricted funds			25,075	21,168
Unrestricted funds			18,824	8,311
<b>Total charity funds</b>	24		43,899	29,479

These financial statements were approved by the board of trustees and authorised for issue on 14 November 2022, and are signed on behalf of the board by:

Rev. P Edwards  
Trustee

The notes on pages 12 to 24 form part of these financial statements.

# BANGOR PENTECOSTAL CHURCH

## Statement of Cash Flows

Year ended 31 December 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net income/(expenditure)		14,421	(17,171)
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets		8,595	7,032
Government grant income		(148,461)	(202,025)
Other interest receivable and similar income		(1)	(5)
Interest payable and similar charges		4,596	4,601
Accrued (income)/expenses		(961)	8,300
<i>Changes in:</i>			
Trade and other debtors		(3,346)	(858)
Trade and other creditors		(4,948)	20,196
Cash generated from operations		(130,105)	(179,930)
Interest paid		(4,596)	(4,601)
Interest received		1	5
Net cash used in operating activities		(134,700)	(184,526)
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		(13,414)	(6,731)
Net cash used in investing activities		(13,414)	(6,731)
<b>Cash flows from financing activities</b>			
Government grant income		148,461	202,025
Payments of finance lease liabilities		4,713	(2,131)
Net cash from financing activities		153,174	199,894
<b>Net increase in cash and cash equivalents</b>		5,060	8,637
<b>Cash and cash equivalents at beginning of year</b>		16,604	7,966
<b>Cash and cash equivalents at end of year</b>	18	21,664	16,603

The notes on pages 12 to 24 form part of these financial statements.

# **BANGOR PENTECOSTAL CHURCH**

## **Notes to the Financial Statements**

**Year ended 31 December 2021**

### **1. General information**

The charity is a public benefit entity and a registered charity in England, Wales and Scotland and is unincorporated. The address of the principal office is Prince's Road, Bangor, Gwynedd, LL52 2BD.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

### **3. Accounting policies**

#### **Basis of preparation**

The accounts have been prepared under the historical cost convention. The charity is a public benefit entity.

#### **Going concern**

The charity maintains positive reserves as at 31 December 2021. The charity's largest category of outgoings are donations for which there are no formal commitments and which may therefore be reduced in the future if necessary to maintain liquidity. There are therefore no significant concerns over the charity's ability to continue operating.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Fund accounting**

The general unrestricted fund appertains to activities carried out by the church.

The restricted funds relates to monies raised by the charity shops, which may only be used for charities supported by the shops and for related administrative costs, and to certain small amounts received by the church for particular projects but not paid over until after the year end.

No transfers are made between funds unless authorised and for specific reasons.



# **BANGOR PENTECOSTAL CHURCH**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 December 2021**

### **3. Accounting policies *(continued)***

#### **Incoming resources**

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

Income from donations is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Income from donated goods is included at nil value, as their value when received is negligible.

Income from government grants is recognised when the charity becomes entitled to the grants and the appropriate application has been made and processed.

No amounts are included for the contribution of general volunteers.

Input VAT was previously shown as other income, with expenses being shown gross of VAT. This has been changed in 2020, so that expenses are now shown net of VAT.

Shop income is the amount derived from the sale of donated goods and is stated net of zero rated vat.

#### **Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure, including contributions to defined contribution pension schemes, is classified under headings of the statement of financial activities to which it relates:

Costs are allocated as follows:

1. Costs relating to the church, other than the audit fee which is the only item included within governance costs, and donations made by the church which are included within the costs of charitable activities, are included within the costs of raising donations and legacies.
2. Costs relating to the shops are all included within the costs of charitable activities.

No costs are apportioned between different categories.

#### **Donations payable**

Donations are made to various charities in the third world, the objectives and activities of which meet those of this charity.

#### **Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

# BANGOR PENTECOSTAL CHURCH

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

### 3. Accounting policies *(continued)*

#### Tangible assets

Fixed assets are stated at cost less accumulated depreciation. The land and buildings are not depreciated as their residual value would be cost, depreciation is therefore viewed as not being material. Although the Companies Act, FRS 102 and the SORP would normally require the systematic annual depreciation of all fixed assets. The heating system, which forms part of the buildings but is depreciated at a rate of 25% reducing balance. Other assets are depreciated as detailed below.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	25% reducing balance
Motor vehicles	-	25% reducing balance
Equipment	-	20% reducing balance

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

#### Finance leases and hire purchase contracts

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the statement of financial activities on a straight line basis.

#### Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.



# **BANGOR PENTECOSTAL CHURCH**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 December 2021**

### **3. Accounting policies** *(continued)*

#### **Financial instruments**

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

# BANGOR PENTECOSTAL CHURCH

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

### Creditors

Trade and other creditors include outstanding amounts due to suppliers and other parties payable after the year end.

### 4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
<b>Donations</b>			
General donations received by the church	104,732	—	<b>104,732</b>
Specific donations received by the church	—	31,887	<b>31,887</b>
Donations received by Annie's Orphans	—	40,052	<b>40,052</b>
<b>Grants</b>			
Government grant income	—	148,461	<b>148,461</b>
	<u>104,732</u>	<u>220,400</u>	<u><b>325,132</b></u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
<b>Donations</b>			
General donations received by the church	89,821	—	89,821
Specific donations received by the church	—	17,339	17,339
Donations received by Annie's Orphans	—	38,835	38,835
<b>Grants</b>			
Government grant income	—	202,025	202,025
	<u>89,821</u>	<u>258,199</u>	<u>348,020</u>

### 5. Other trading activities

	Restricted Funds £	Total Funds 2021 £	Restricted Funds £	Total Funds 2020 £
Shop income	<u>298,868</u>	<u><b>298,868</b></u>	<u>242,710</u>	<u>242,710</u>

### 6. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Bank interest receivable	<u>1</u>	<u>—</u>	<u>1</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Bank interest receivable	<u>—</u>	<u>5</u>	<u>5</u>

**Year ended 31 December 2021**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Employer's allowance	—	—	—
Insurance claim	—	—	—
	—	—	—
	—	—	—
	=====	=====	=====

  

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Employer's allowance	3,691	4,000	7,691
Insurance claim	—	4,808	4,808
	=====	=====	=====
	3,691	8,808	12,499

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Costs of raising donations and legacies - Other type 1	<u>71,220</u>	<u>3,960</u>	<u>75,178</u>

  

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Costs of raising donations and legacies - Other type 1	65,741	5,140	70,881

# BANGOR PENTECOSTAL CHURCH

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

### 9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Operation and administration of shops	—	383,956	<b>383,956</b>
Donations made by Anne's Orphans	—	116,976	<b>116,976</b>
Donations made by the church	699	24,021	<b>24,721</b>
Support costs	—	8,748	<b>8,749</b>
	<u>699</u>	<u>533,701</u>	<u><b>534,402</b></u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Operation and administration of shops	—	345,897	345,897
Donations made by Anne's Orphans	—	170,363	170,363
Donations made by the church	—	22,863	22,863
Support costs	—	10,400	10,401
	<u>—</u>	<u>549,523</u>	<u>549,524</u>

### 10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Operation and administration of shops	383,956	—	<b>383,956</b>	345,897
Donations made by Anne's Orphans	116,976	—	<b>116,976</b>	170,363
Donations made by the church	24,721	—	<b>24,721</b>	22,863
Governance costs	—	8,749	<b>8,749</b>	10,401
	<u>525,653</u>	<u>8,749</u>	<u><b>534,402</b></u>	<u>549,524</u>

### 11. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	<b>8,595</b>	7,032

### 12. Auditors remuneration

	2021 £	2020 £
Fees payable for the audit of the financial statements	<b>8,750</b>	10,400



# BANGOR PENTECOSTAL CHURCH

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

### 13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	238,028	220,675
Social security costs	7,827	13,207
Employer contributions to pension plans	1,421	1,227
	<u>247,276</u>	<u>235,109</u>

The average head count of employees during the year was 15 (2020: 13). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Number of management staff	1	1
Number of staff employed by Annie's Orphans	14	12
	<u>15</u>	<u>13</u>

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

### 14. Trustee remuneration and expenses

One trustee, Reverend Pauline Edwards, was paid £45,000 (2020: £42,083) in her capacity as pastor of the church.

No trustees received expenses other than those incurred in the course of carrying out the charity's affairs.

### 15. Transfers between funds

£22,300 has been transferred from the church general fund to the Annie's Orphans restricted fund. This was required to eliminate the negative balance on Annie's Orphan restricted fund.

### 16. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
<b>Cost</b>					
At 1 January 2021	59,372	7,311	8,394	7,476	<b>82,553</b>
Additions	—	2,670	9,995	749	<b>13,414</b>
<b>At 31 December 2021</b>	<u>59,372</u>	<u>9,981</u>	<u>18,389</u>	<u>8,225</u>	<u><b>95,967</b></u>
<b>Depreciation</b>					
At 1 January 2021	9,954	6,778	3,673	6,915	<b>27,320</b>
Charge for the year	3,854	800	3,679	262	<b>8,595</b>
<b>At 31 December 2021</b>	<u>13,808</u>	<u>7,578</u>	<u>7,352</u>	<u>7,177</u>	<u><b>35,915</b></u>
<b>Carrying amount</b>					
<b>At 31 December 2021</b>	<u>45,564</u>	<u>2,403</u>	<u>11,037</u>	<u>1,048</u>	<u><b>60,052</b></u>
At 31 December 2020	<u>49,418</u>	<u>533</u>	<u>4,721</u>	<u>561</u>	<u>55,233</u>

# BANGOR PENTECOSTAL CHURCH

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

### 16. Tangible fixed assets *(continued)*

The value of the building is considered by the trustees to be £900,000.

#### Finance leases and hire purchase contracts

Included within the carrying value of tangible fixed assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Motor vehicles £
At 31 December 2021	11,037
At 31 December 2020	4,721

### 17. Debtors

	2021 £	2020 £
Prepayments and accrued income	915	—
Other debtors	6,866	4,435
	<u>7,781</u>	<u>4,435</u>

### 18. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2021 £	2020 £
Cash at bank and in hand	25,686	16,604
Bank overdrafts	(4,022)	—
	<u>21,664</u>	<u>16,604</u>

### 19. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	4,022	—
Trade creditors	1,952	2,234
Accruals and deferred income	16,739	17,700
Social security and other taxes	6,048	13,287
Obligations under finance leases and hire purchase contracts	4,710	2,132
Other creditors	12,237	9,664
	<u>45,708</u>	<u>45,017</u>

Hire purchase liabilities are secured on the motor vehicle.

### 20. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Obligations under finance leases and hire purchase contracts	3,912	1,777



# BANGOR PENTECOSTAL CHURCH

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

### 21. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2021	2020
	£	£
Not later than 1 year	4,711	2,132
Later than 1 year and not later than 5 years	3,911	1,777
	<u>8,622</u>	<u>3,909</u>

### 22. Pensions and other post retirement benefits

#### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £1,421 (2020: £1,227).

### 23. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in income from donations and legacies:		
Government grants income	<u>148,461</u>	<u>202,025</u>

### 24. Analysis of charitable funds

#### Unrestricted funds

	At 1 Jan 2021	Income	Expenditure	Transfers	At 31 Dec 2021
	£	£	£	£	£
General funds	<u>8,310</u>	<u>104,733</u>	<u>(71,919)</u>	<u>(22,300)</u>	<u>18,824</u>

  

	At 1 Jan 2020	Income	Expenditure	Transfers	At 31 Dec 2020
	£	£	£	£	£
General funds	<u>540</u>	<u>93,512</u>	<u>(65,741)</u>	<u>(20,000)</u>	<u>8,311</u>

Unrestricted funds arise from donations received by the church for no specified purpose.

# BANGOR PENTECOSTAL CHURCH

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

### 24. Analysis of charitable funds *(continued)*

#### Restricted funds

	At 1 Jan 2021 £	Income £	Expenditure £	Transfers £	At 31 Dec 2021 £
Annie's Orphans	42	487,380	(509,681)	22,300	41
Specific donations received by the church	6,352	31,210	(24,125)	—	13,437
Church heating system	14,774	678	(3,855)	—	11,597
	<u>21,168</u>	<u>519,268</u>	<u>(537,661)</u>	<u>22,300</u>	<u>25,075</u>

  

	At 1 Jan 2020 £	Income £	Expenditure £	Transfers £	At 31 Dec 2020 £
Annie's Orphans	20,319	492,383	(526,660)	14,000	42
Specific donations received by the church	6,534	16,681	(22,863)	6,000	6,352
Church heating system	19,256	658	(5,140)	—	14,774
	<u>46,109</u>	<u>509,722</u>	<u>(554,663)</u>	<u>20,000</u>	<u>21,168</u>

Restricted funds relate to funds raised by the Annie's Orphans shops, to donations received by the church for specified purposes, and to amounts raised by the church to fund the purchase of work on the heating system.

### 25. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	36,468	23,584	60,052
Current assets	25,413	8,054	33,467
Creditors less than 1 year	(43,057)	(2,651)	(45,708)
Creditors greater than 1 year	—	(3,912)	(3,912)
<b>Net assets</b>	<u>18,824</u>	<u>25,075</u>	<u>43,899</u>

  

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	28,229	27,004	55,233
Current assets	17,432	3,607	21,039
Creditors less than 1 year	(37,351)	(7,666)	(45,017)
Creditors greater than 1 year	—	(1,777)	(1,777)
<b>Net assets</b>	<u>8,310</u>	<u>21,168</u>	<u>29,478</u>

# BANGOR PENTECOSTAL CHURCH

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

### 26. Analysis of changes in net debt

	At 1 Jan 2021	Cash flows	At 31 Dec 2021
	£	£	£
Cash at bank and in hand	16,604	9,082	<b>25,686</b>
Bank overdrafts	—	(4,022)	<b>(4,022)</b>
Debt due within one year	(2,132)	(2,578)	<b>(4,710)</b>
Debt due after one year	(1,777)	(2,135)	<b>(3,912)</b>
	<u>12,695</u>	<u>347</u>	<u><b>13,042</b></u>

### 27. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	<b>9,982</b>	41,579
Later than 1 year and not later than 5 years	—	79,937
Later than 5 years	—	40,824
	<u><b>9,982</b></u>	<u>162,340</u>

### 28. Related parties

During the previous year, the charity received donations of £34,843 (2020 £27,969) from trustees, none of which were restricted.

# **BANGOR PENTECOSTAL CHURCH**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 December 2021**

### **29. Annie's orphans donations and involvement in overseas projects**

The charity although having no legal or formal requirement it supports various overseas charitable projects in various way:

Bric Kiln Schools-Pakistan -Consists of 23 Bric Kiln slave schools which were set up by Bric Pakistan after Rev. Edwards visited Pakistan back in 2008. The schools are built from discarded bricks. and Annie's Orphans charity takes on the responsibility for paying the salary of the teachers

Orphanages -India-This project consists of two orphanages which are managed by Pastor Yesupadum whom Rev. Edwards met in 2000. He was educated at the expense of Annie's Orphans who currently make a regular agreed monthly donation.

Street Children- Burundi - Annie's Orphans fully funds the street boys. It started while Rev. Edwards was there in 2013. It consists of a house with Twenty boys in the province of Kayanza and another 10 boys in the University in Bujumbura. Bishop Jerome Ininahazwe oversees the project. There's currently a regular agreed monthly donation.

Annie's Orphans is less involved with the following and just makes a donation.

African Child Trust, works in eight countries and supports widows to send their children to school in Africa.

Oaza (Romania) This was set up by Laura Andres, in the past Annie's Orphans enabled the project to provide accommodation for street children with the astute guidance of Laura, Annie's Orphans donates to this project but is not involved in any decision making.

Rehema Home (Kenya) is run by a missionary couple and works with disabled children

POC (Philippines) - A British Missionary provides accommodation and schools for children whose parents are in prison.

Pakistan (Footsteps Charity) -run by Joseph and Rose Barkat, who support the poor in Pakistan by setting up sewing centres and schools for women and are also involved in disaster relief.

Adopt a child - A charity that feeds children in Albania and Guatemala

Project for the poor in Jamaica that Annie's Orphans makes a donation to.

# **BANGOR PENTECOSTAL CHURCH**

## **Management Information**

**Year ended 31 December 2021**

**The following pages do not form part of the financial statements.**



# BANGOR PENTECOSTAL CHURCH

## Detailed Statement of Financial Activities

Year ended 31 December 2021

	2021 £	2020 £
<b>Income and endowments</b>		
<b>Donations and legacies</b>		
General donations received by the church	104,732	89,821
Specific donations received by the church	31,887	17,339
Donations received by Annie's Orphans	40,052	38,835
Government grant income	148,461	202,025
	<u>325,132</u>	<u>348,020</u>
<b>Other trading activities</b>		
Shop income	298,868	242,710
	<u>298,868</u>	<u>242,710</u>
<b>Investment income</b>		
Bank interest receivable	1	5
	<u>1</u>	<u>5</u>
<b>Other income</b>		
Employer's allowance	—	7,691
Insurance claim	—	4,808
	<u>—</u>	<u>12,499</u>
	<u>—</u>	<u>—</u>
<b>Total income</b>	<u>624,001</u>	<u>603,234</u>



# BANGOR PENTECOSTAL CHURCH

## Detailed Statement of Financial Activities *(continued)*

Year ended 31 December 2021

	2021 £	2020 £
<b>Expenditure</b>		
<b>Costs of raising donations and legacies</b>		
Wages and salaries	45,000	44,649
Employer's NIC	940	4,601
Rates and water	7,707	1,546
Insurance	1,267	1,160
Motor vehicle expenses	3,981	3,762
Other motor/travel costs	5,617	805
Legal and professional fees	293	48
Telephone	989	1,079
Other office costs	664	1,755
Depreciation	4,541	5,164
Advertising	120	314
Books and literature	604	1,319
Bank charges and interest	432	293
Repairs and maintenance	3,023	4,103
	—	283
	<u>75,178</u>	<u>70,881</u>
<b>Expenditure on charitable activities</b>		
Wages and salaries	193,028	176,026
Employer's NIC	6,887	8,606
Pension costs	1,421	1,227
Rent	106,375	100,568
Rates and water	6,885	5,504
Light and heat	16,764	16,371
Repairs and maintenance	8,831	6,348
Insurance	6,432	6,449
Motor vehicle expenses	(32)	4,995
Other motor/travel costs	18,689	3,857
Legal and professional fees	10,950	12,242
Telephone	5,156	1,117
Other office costs	1,517	2,410
Depreciation	4,055	1,868
Interest on HP and finance leases	842	424
Other interest payable and similar charges	3,754	4,177
Donations	141,697	193,226
Postage and stationery	1,151	1,007
Cleaning and disposals	—	3,102
	<u>534,402</u>	<u>549,524</u>
<b>Total expenditure</b>	<u>609,580</u>	<u>620,405</u>
<b>Net income/(expenditure)</b>	<u>14,421</u>	<u>(17,171)</u>

# BANGOR PENTECOSTAL CHURCH

## Notes to the Detailed Statement of Financial Activities

Year ended 31 December 2021

	2021 £	2020 £
<b>Costs of raising donations and legacies</b>		
<b>Costs of raising donations and legacies - Other type 1</b>		
Wages and salaries	45,000	44,649
Employer's NIC	940	4,601
Light & heat & water	7,707	1,546
Insurance	1,267	1,160
Motor vehicle expenses	3,981	3,762
Travel costs	5,617	805
Legal and professional fees	293	48
Telephone	989	1,079
Sundry expenses	664	1,755
Depreciation	4,541	5,164
Advertising	120	314
Books, literature and licences	604	1,319
Bank charges and interest	432	293
Repairs and maintenance	3,023	4,103
Other interest	—	283
	<u>75,178</u>	<u>70,881</u>
<b>Costs of raising donations and legacies</b>	<u>75,178</u>	<u>70,881</u>

# BANGOR PENTECOSTAL CHURCH

## Notes to the Detailed Statement of Financial Activities *(continued)*

Year ended 31 December 2021

	2021 £	2020 £
<b>Expenditure on charitable activities</b>		
<b>Operation and administration of shops</b>		
<b><i>Activities undertaken directly</i></b>		
wages/salaries	193,028	176,026
employer's NIC	6,887	8,606
pension costs	1,421	1,227
rent	106,375	100,568
rates & water	6,885	5,504
light & heat	16,764	16,371
repairs & maintenance	8,831	6,348
insurance	6,432	6,449
motor vehicle expenses	(32)	4,995
other motor/travel costs	18,689	3,857
legal and professional fees	2,201	1,841
telephone	5,156	1,117
other shop costs	1,517	2,410
depreciation	4,055	1,868
Hire purchase interest	842	424
bank charges and interest	3,754	4,177
postage and stationery	1,151	1,007
cleaning and disposal	—	3,102
	<u>383,956</u>	<u>345,897</u>
<b>Donations made by Anne's Orphans</b>		
<b><i>Activities undertaken directly</i></b>		
Donations	116,976	170,363
<b>Donations made by the church</b>		
<b><i>Activities undertaken directly</i></b>		
Donations made by the church	24,721	22,863
<b>Governance costs</b>		
Governance costs - audit fees	8,749	10,401
<b>Expenditure on charitable activities</b>	<u>534,402</u>	<u>549,524</u>