

CHARITY REGISTRATION NUMBER: 1063036-SCO39461

**BANGOR PENTECOSTAL CHURCH**  
**Financial Statements**  
**31 December 2022**

**ALEXANDER BURSK LIMITED**

Accountants & statutory auditor

Parkgates  
Bury New Road  
Prestwich  
Manchester  
Lancashire  
M25 0JW

# **BANGOR PENTECOSTAL CHURCH**

## **Financial Statements**

**Year ended 31 December 2022**

	<b>Page</b>
Trustees' annual report	<b>1</b>
Independent auditor's report to the members	<b>5</b>
Statement of financial activities	<b>9</b>
Statement of financial position	<b>10</b>
Statement of cash flows	<b>11</b>
Notes to the financial statements	<b>12</b>
<b>The following pages do not form part of the financial statements</b>	
Detailed statement of financial activities	<b>26</b>
Notes to the detailed statement of financial activities	<b>28</b>

# **BANGOR PENTECOSTAL CHURCH**

## **Trustees' Annual Report**

**Year ended 31 December 2022**

The trustees present their report and the financial statements of the charity for the year ended 31 December 2022.

### **Reference and administrative details**

<b>Registered charity name</b>	BANGOR PENTECOSTAL CHURCH
<b>Charity registration number</b>	1063036-SCO39461
<b>Principal office</b>	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**

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

**Year ended 31 December 2022**

### **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.

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.

### **Achievements and performance**

During the year, the charity:

- Sustained the running costs (salary of teachers) for schools for brick-kiln slave children in Pakistan. £16,217 was sent to cover these costs.
- Continued to bear responsibility for the orphanages in Andhra Pradesh and Tamil Nadu, India, which house children who continue to be supported until the completion of their college education.
- Continued to sustain 'street boys', in Kayanza, Burundi. These children are homeless because of the recent civil war in Burundi and the HIV epidemic in Central Africa. £31,572 was sent to cover these costs.
- Continued to run the charity shops, which provide employment and volunteer opportunities in their local areas, which has been vital due to the many closures of businesses and depletion of High Streets nationally.
- Made donations to a number of other charities.
- Thus it met its objectives for the year.



# **BANGOR PENTECOSTAL CHURCH**

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

**Year ended 31 December 2022**

### **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 2022, the balance sheet date, the charity held total funds of £16,246 (2021: £43,899) of which £16,246 (2021: £25,075) were restricted.

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



# **BANGOR PENTECOSTAL CHURCH**

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

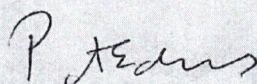
**Year ended 31 December 2022**

Statement as to disclosure of information

So far as each trustee is aware, there is no relevant audit information of which the charity's auditors are unaware.

Each trustee has taken all the steps that ought to have been taken as a trustee in order to make themselves 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 ..... 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 2022**

### **Opinion**

We have audited the financial statements of BANGOR PENTECOSTAL CHURCH (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2022 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;
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material uncertainty relating to going concern**

In auditing the financial statements, we have considered the adequacy of the disclosure made in note 3 to the accounts, concerning the charity's ability to continue as a going concern. The charity's expenditure exceeded its income for the year ended 31 December 2022 and, as at 31 December 2022, current liabilities significantly exceeded current assets. These conditions indicate the existence of a material uncertainty which may cast significant doubt as to the charity's ability to continue as a going concern. These accounts do not include the adjustments that would result if the charity were unable to continue as a going concern.

Our audit report is not modified in this respect

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 2022**

### **Other information**

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

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

the information given in the Trustees' Annual Report is inconsistent in any material respect with the accounts; or

sufficient accounting records have not been kept; or

the accounts are not in agreement with the accounting records and returns; or

we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements 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.



# **BANGOR PENTECOSTAL CHURCH**

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

**Year ended 31 December 2022**

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

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.

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

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 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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. 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 2022**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Use of our report**

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act, and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

B Fine (Senior Statutory Auditor)

For and on behalf of

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



8/10/2023



# BANGOR PENTECOSTAL CHURCH

## Statement of Financial Activities

Year ended 31 December 2022

		2022	2022		2021
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
<b>Income and endowments</b>					
Donations and legacies	4	91,490	47,132	138,622	325,132
Other trading activities	5	–	464,928	464,928	298,868
Investment income	6	–	–	–	1
Other income	7	4,236	5,000	9,236	–
<b>Total income</b>		<u>95,726</u>	<u>517,060</u>	<u>612,786</u>	<u>624,001</u>
<b>Expenditure</b>					
Expenditure on raising funds:					
Costs of raising donations and legacies	8	85,042	–	85,042	75,178
Expenditure on charitable activities	9,10	–	555,397	555,397	534,402
<b>Total expenditure</b>		<u>85,042</u>	<u>555,397</u>	<u>640,439</u>	<u>609,580</u>
<b>Net (expenditure)/income</b>		<u>10,684</u>	<u>(38,337)</u>	<u>(27,653)</u>	<u>14,421</u>
Transfers between funds		(29,508)	29,508	–	–
<b>Net movement in funds</b>		<u>(18,824)</u>	<u>(8,829)</u>	<u>(27,653)</u>	<u>14,421</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		18,824	25,075	43,899	29,478
<b>Total funds carried forward</b>		<u>–</u>	<u>16,246</u>	<u>16,246</u>	<u>43,899</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.



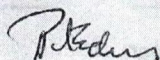
# BANGOR PENTECOSTAL CHURCH

## Statement of Financial Position

31 December 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible fixed assets	16	53,589	60,052
<b>Current assets</b>			
Debtors	17	2,875	7,781
Cash at bank and in hand		10,531	25,686
		13,406	33,467
<b>Creditors: amounts falling due within one year</b>	19	49,771	45,708
<b>Net current liabilities</b>		36,365	12,241
<b>Total assets less current liabilities</b>		17,224	47,811
<b>Creditors: amounts falling due after more than one year</b>	20	978	3,912
<b>Net assets</b>		16,246	43,899
<b>Funds of the charity</b>			
Restricted funds		16,246	25,075
Unrestricted funds		-	18,824
<b>Total charity funds</b>	24	16,246	43,899

These financial statements were approved by the board of trustees and authorised for issue on ..... 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 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net (expenditure)/income		(27,653)	14,421
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets		6,463	8,595
Government grant income		–	(148,461)
Other interest receivable and similar income		–	(1)
Interest payable and similar charges		4,134	4,596
Accrued expenses/(income)		2,175	(961)
<i>Changes in:</i>			
Trade and other debtors		4,906	(3,346)
Trade and other creditors		1,894	(4,948)
Cash generated from operations		(8,081)	(130,105)
Interest paid		(4,134)	(4,596)
Interest received		–	1
Net cash used in operating activities		(12,215)	(134,700)
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		–	(13,414)
Net cash used in investing activities		–	(13,414)
<b>Cash flows from financing activities</b>			
Government grant income		–	148,461
Payments of finance lease liabilities		(4,709)	4,713
Net cash (used in)/from financing activities		(4,709)	153,174
<b>Net (decrease)/increase in cash and cash equivalents</b>		(16,924)	5,060
<b>Cash and cash equivalents at beginning of year</b>		<b>21,664</b>	<b>16,604</b>
<b>Cash and cash equivalents at end of year</b>	<b>18</b>	<b>4,740</b>	<b>21,664</b>

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 2022**

### **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, LL57 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 2022. The charity makes significant levels of donations for which there are no formal commitments, and which may therefore be reduced in the future if necessary to maintain liquidity. However, as a result of expenditure exceeding income during the year, current liabilities significantly exceeded current assets as at 31 December 2022. Should income fail to exceed expenditure in future, the charity might be unable to realise its assets and discharge its liabilities in the normal course of operations, as a result of which significant doubt might arise as to its ability to continue operating as a going concern.

#### **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 2022**

### **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.

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 2022**

### **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 2022**

### **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 2022

### 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 2022 £
<b>Donations</b>			
General donations received by the church	91,490	–	<b>91,490</b>
Specific donations received by the church	–	15,160	<b>15,160</b>
Donations received by Annie's Orphans	–	31,972	<b>31,972</b>
<b>Grants</b>			
Government grant income	–	–	–
	<u>91,490</u>	<u>47,132</u>	<u><b>138,622</b></u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
<b>Donations</b>			
General donations received by the church	104,732	–	104,732
Specific donations received by the church	–	31,887	31,887
Donations received by Annie's Orphans	–	40,052	40,052
<b>Grants</b>			
Government grant income	–	148,461	148,461
	<u>104,732</u>	<u>220,400</u>	<u><b>325,132</b></u>

### 5. Other trading activities

	Restricted Funds £	Total Funds 2022 £	Restricted Funds £	Total Funds 2021 £
Shop income	<u>464,928</u>	<u><b>464,928</b></u>	<u>298,868</u>	<u><b>298,868</b></u>

### 6. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank interest receivable	<u>–</u>	<u>–</u>	<u>1</u>	<u>1</u>

# BANGOR PENTECOSTAL CHURCH

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

Year ended 31 December 2022

### 7. Other income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Employer's allowance	<u>4,236</u>	<u>5,000</u>	<u>9,236</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Employer's allowance	<u>-</u>	<u>-</u>	<u>-</u>

### 8. Costs of raising donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Costs of raising donations and legacies	<u>85,042</u>	<u>-</u>	<u>85,042</u>

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

The costs of raising donations and legacies include the costs of running the church, within which are included the pastor's salary.

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

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Operation and administration of shops	-	441,914	<b>441,914</b>
Donations made by Anne's Orphans	-	78,205	<b>78,205</b>
Donations made by the church	-	26,394	<b>26,394</b>
Support costs	-	8,884	<b>8,884</b>
	<u>-</u>	<u>555,397</u>	<u><b>555,397</b></u>

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

# BANGOR PENTECOSTAL CHURCH

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

Year ended 31 December 2022

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

	Activities undertaken directly	Support costs	Total funds 2022	Total fund 2021
	£	£	£	£
Operation and administration of shops	441,914	—	441,914	383,956
Donations made by Annie's Orphans	78,205	—	78,205	116,976
Donations made by the church	26,394	—	26,394	24,721
Governance costs	—	8,884	8,884	8,749
	<u>546,513</u>	<u>8,884</u>	<u>555,397</u>	<u>534,402</u>

### 11. Net (expenditure)/income

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

	2022	2021
	£	£
Depreciation of tangible fixed assets	<u>6,463</u>	<u>8,595</u>

### 12. Auditors remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	<u>8,883</u>	<u>8,750</u>

### 13. Staff costs

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

	2022	2021
	£	£
Wages and salaries	283,706	238,028
Social security costs	20,744	7,827
Employer contributions to pension plans	946	1,421
	<u>305,396</u>	<u>247,276</u>

The average head count of employees during the year was 19 (2021: 15). The average number of full-time equivalent employees during the year is analysed as follows:

	2022	2021
	No.	No.
Number of management staff	1	1
Number of staff employed by Annie's Orphans	18	14
	<u>19</u>	<u>15</u>

No employee received employee benefits of more than £60,000 during the year (2021: Nil).