

Charity Registration No. 1072038

Company Registration No. 03589593 (England and Wales)

HOPE NOW LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

HOPE NOW LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr J Barnes Mr S Sweeney Mr A J Cam Mr M Scott Mrs J Hon
Secretary	Mr M Scott
Acting chief executive officer	Mr J Budgell
Charity number	1072038
Company number	03589593
Registered office	Malvern Centre Malvern Road Southampton Hampshire SO16 6PY
Independent examiner	Darnells Chartered Accountants Quay House Quay Road Newton Abbot Devon TQ12 2BU
Bankers	Lloyds Bank plc 19-21 High Street Southampton Hampshire SO14 2SE CCLA Investment Management Limited COIF Charity Funds 80 Cheapside London EC2V 6DZ
Solicitors	MacDonald Oates LLP Knockhundred Row Midhurst West Sussex GU29 9DQ

HOPE NOW LIMITED

CONTENTS

	Page
Trustees' report	1 - 5
Independent examiner's report	6
Statement of financial activities	7
Balance sheet	8
Notes to the accounts	9 - 19

HOPE NOW LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31 December 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

To apply the charity's funds for the promotion and advancement of The Evangelical Christian Faith, both in the UK and abroad, through making grants to and supporting projects of institutions with similar objects.

In pursuance of these objects the charity:

- Presents and disseminates the teachings of Jesus Christ, promoting understanding of the Evangelical Christian Faith and viewpoint and fostering Evangelical spirit;
- Establishes information and research centres devoted to the study and presentation of Evangelical Christian thought and catering for the religious and educational needs of Evangelical Christian Communities in the UK and abroad;
- Promotes, supports and organises scholarships, conferences, seminars, study tours and similar projects;
- Establishes and supports the establishment of charitable organisations for voluntary service, based on evangelistic crusades and personal visitations for the promotion of the Gospel of Jesus Christ;
- Publishes and promotes books, journals, periodicals, magazines, newspapers and other literature;
- Provides, endows and furnishes and fits out buildings with all necessary furniture and other equipment required for the above objects.

The charity carries out these objects by:

- Preaching in churches, schools, colleges, prisons, on radio/TV and to other organisations to which invitations are received;
- Funding and equipping churches, orphanages, Bible Study centres;
- Partial funding of Kompas Park;
- Funding pre-independence homes for disadvantaged teenagers;
- Funding and developing foster homes for homeless, orphaned or abused children;
- Funding of healthcare initiatives.

The charity has established its grant making policy to achieve its objects for the public benefit to promote and advance the Evangelical Christian Faith in the UK and abroad by fundraising in the UK for projects such as orphanages, pre-independence and foster homes, Bible Study centres, etc.

The beneficiaries of the grant making programme are ultimately orphaned, homeless or abused children and teenagers, and disadvantaged families. In addition the charity funds outreach projects for prison ministry in countries such as Ukraine where under the communist regime Christians were sent to prison for their faith. The charity helps to build churches and chapels in the prisons.

The charity has links with institutions in Ukraine and Sri-Lanka with similar objects, as well as links with other Hope Now charities through which grants are made.

HOPE NOW LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

The charity's main activities and those who it tries to help are described below. The focus of the charity's activities therefore continued to be advancing the Evangelical Christian faith both in the UK and abroad, by raising funds for local organisations providing welfare, education and Christian ministry. Projects funded included funding orphanages, summer camps and breaks for disadvantaged children and widows and widowers, undertaking prison ministry, providing funds for education and sponsoring both individuals and families of limited means in Ukraine and Sri Lanka.

Who used and benefited from the charity's services?

The charity's objects and funding limit the activities to projects in a few countries, predominantly Ukraine and to a lesser extent Sri-Lanka. The number of people helped by the charity is estimated at 2,000.

The trustees have paid due regard to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning the future activities the charity should undertake.

Achievements and performance

Ukraine

The work in Ukraine has continued in the following areas;

Health

Several children were given financial help for treatment and operations. Local hospitals have also been supported with the supply of equipment, these include the Childrens Regional Hospital, Burns Unit Hospital and the TB Hospital. We have also been able to undertake several dental healthcare projects.

Children

Orphans - Hope Now supports 18 cottage homes with 28 children, many of whom have been rescued from dire circumstances of abuse and homelessness. The total number of children in these families, Swindon and Flat 33, and a few individual children is 41. Donors in the UK sponsor these. The parents meet once a month to support one another as they share their particular challenges.

Pre-Independence homes - 14 girls enjoy living at the two flats and Swindon House, where they are given three years higher education in trade schools or universities. All have benefited from the professional help of our child care officer, Mrs Larissa Vovk.

Orphanages - Hope Now continues to provide financial and practical help to several orphanages in the Cherkassy Region, along with supporting the Cherkassy Rescue Shelter.

Handicapped - Hope Now supports the work of 2nd Baptist Church reaching out to the deaf and disabled. Ludmila Sidenko arranges camps and ministers to the deaf, and Valery Petrochenko organises camps for the disabled, and has contacts in local hospitals and an outreach to Sunday School 16.

Prisons

Financial support has continued for special projects as they are presented including the formation of a psychological treatment room for prison officers at Prison 62. Sasha Tarasenko and Anatoli Peripilitsa are also sponsored for Prison outreach works.

Evangelism

Following Valerie Reddaway's retirement from the work in April 2018, Jonathan Budgell took over this ministry upon his retirement as CEO in April 2018. As much as funds would allow Hope Now has been working in partnership with The Baptist Bishop strategically planting and supporting smaller churches and district town churches. Hope Now also supports the outreach initiative put into place by Anastasia Vovk and Jonathan Budgell to minister in outlying villages.

HOPE NOW LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Kompas Park

Miss Svieta Kravchenk is now in her third year of leadership. Camps are held throughout the summer for children, widows and disabled, and during 2019 49 volunteers travelled from the UK to join Ukrainian staff and volunteers for 7 weeks of camps. In 2020 all camps were cancelled due to COVID-19.

Bible School

In 2020 20 students took advantage of the expert tuition provided by local ministers. There are also 18 young men training as youth workers and 15 ladies studying Sunday School teaching.

Students

Hope Now has provided financial assistance to over 200 students over the past 17 years, who otherwise would not have been able to attend university. Each year a new intake means new sponsors have to be found but, thankfully, there are still those who are prepared to take on sometimes commitments of thousands of pounds to ensure that these young people have a future. 53 students are currently supported.

Schools

Following links made with the Zozulenka Music Group and School Number 20, Hope Now was invited to take visitors in to teach English. The first classes were held in October 2013 and continued until 2019.

Mr Jonathan Budgell in usual circumstances visits the Ukraine on a regular basis to evaluate and appraise the effectiveness of the use of funds and to build and maintain closer working relationships. During the COVID-19 pandemic this has not been possible but contact via Zoom and email has continued.

Financial review

The Charity is reliant on voluntary income, donations and legacies, which totalled £310,677 (2019 - £313,207).

Grants amounting to £129,694 (2019 - £185,357) were paid to charities with similar objects from the available realised income of £316,748 (2019 - £320,516).

The total value of the charity's unrestricted funds has increased from £292,554 at 31 December 2019 to £371,837 at 31 December 2020. The amount of the restricted funds was £185,177 at 31 December 2020 which was an increase from £157,453 at 31 December 2019. The total funds have increased from £450,007 at 31 December 2019 to £557,014 at 31 December 2020.

The trustees consider the charity's overall position to be satisfactory.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use of £60,000 should be maintained and this is a refinement to the previous year's three month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been exceeded throughout the year and the funds have been ring fenced in a high interest earning bank account. The additional reserves held reflect the curtailment of activities due to COVID-19.

At 31 December 2020 the amount of the Free Reserves at the charity's disposal was £196,381 (2019 - £115,979) - see note 17 to the financial statements.

Aside from retaining an amount in reserves as per the Reserves policy above, the charity's funds are to be spent in the short term and so there are few funds available for long term investment. The property held in the balance sheet provides both a place from which the charity can operate and the surplus space is rented at commercial rates.

Risk management:

Critical Incident Planning has been undertaken and is reviewed annually at the Board's January Planning day. The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

HOPE NOW LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Plans for the future

The charity plans to continue the activities outlined above in the forthcoming years, subject to satisfactory fundraising. In particular plans are well underway for a limited programme of camps for summer 2021 at Kompas Park. From June to August 200 children from the Cherkassy area enjoyed holidays there. In September camps will also be run for a hundred or so widows and widowers, giving them a break from often very difficult home situations. All of these activities are subject to Ukrainian COVID-19 rules.

Structure, governance and management

Governing document:

The charity's objects and regulations are regulated by the Memorandum of Association dated 29 June 1998. Under that memorandum the charity is constituted as a company limited by guarantee, having no share capital.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr J Barnes

Mr S Sweeney

Dr B Read

(Resigned 22 June 2020)

Mr A J Cam

Mr M Scott

Mrs J Hon

Recruitment and appointment of trustees:

Under the requirements of the Articles of Association, trustees are elected for a period of three years after which they must be re-elected at the next Annual General Meeting. Trustees annually review the period of service and the Chair and Vice Chair hold the period of office for one year only, following which the Board decide on re-election.

The board of trustees regularly discusses the recruitment of new trustees for their experience, empathy and knowledge of the charity, and to keep the skills and composition of the trustee body as a whole and succession planning under review.

Trustee induction and training:

Most trustees are already familiar with the work of the charity, having been encouraged to read literature prepared regularly by the charity and attend events throughout the year.

New trustees are invited and encouraged to attend these events and are placed on a probationary period to familiarise themselves with the charity and the context in which it operates. The induction process consists of an initial meeting with the trustees, followed by a series of short meetings with the CEO and other executives to discuss the grant making process and the powers and responsibilities of the trustee board. Additionally copies of the most recent newsletter are distributed to all new trustees along with the Memorandum and Articles of Association and a copy of the latest financial statements.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed by the trustees from the charity are set out in note 9 to the financial statements.

The trustees' usual practice of reviewing the previous year's achievements against the objectives set for that year was undertaken in January and a new set of objectives for 2020 was established maintaining Hope Now's core values and encouraging all involved at every level in a team effort for all activities. The Critical Incident Planning document was reviewed and updated with several action points established or created.

The Charity Commissions' guide to Good Governance was reviewed and practice benchmarked against those guidelines.

HOPE NOW LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Organisational structure:

The charity is administered by a board of directors who are also trustees. The day to day running of the charity is delegated to a Chief Executive Officer who reports to the Trustees. Mr Andrew Foreman took over the role from Mr Jon Budgell following his retirement on 1 May 2018. Mr Andrew Foreman was, however, given six months paid garden leave in October 2019 and was made redundant in March 2020. Mr Jonathan Budgell returned in October 2019 as CEO Emeritus continuing throughout 2020.

The trustees met for business meetings once a month.

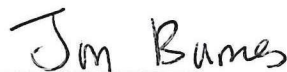
Relationship with wider network:

The charity has close links with local Hope Now charities in Ukraine and the USA. The Chief Executive Officer is invited to sit on the Ukrainian board as a non-voting member. Hope Now Limited has no executive control over the running of the other Hope Now charities; they share a common charitable purpose with the UK charity raising funds for projects overseen by the other Hope Now charities. Hope Now Limited takes an active role in ensuring that funds raised are used for the purposes for which they were raised in order to fulfil an expectation of due diligence on the appropriate use of funds sent overseas.

The charity has also developed links and has provided funds to Christian charities operating in Sri Lanka.

In South Africa Transformation Pollsmoor has previously taken over the ministry, previously funded by the charity, at Pollsmoor Prison.

The trustees' report was approved by the Board of Trustees.



Mr J Barnes

Trustee

Dated: 27/4/21

HOPE NOW LIMITED

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HOPE NOW LIMITED

I report to the trustees on my examination of the financial statements of Hope Now Limited (the charity) for the year ended 31 December 2020.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Mr P Beard ACA FCCA
Darnells Chartered Accountants
Quay House
Quay Road
Newton Abbot
Devon
TQ12 2BU

Dated: *28th September 2021*

HOPE NOW LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	2	215,115	95,562	310,677	184,912	128,295	313,207
Investments	3	4,932	-	4,932	7,309	-	7,309
Other income	4	1,139	-	1,139	-	-	-
Total income		221,186	95,562	316,748	192,221	128,295	320,516
<u>Expenditure on:</u>							
Raising funds	5	24,373	-	24,373	29,157	-	29,157
Charitable activities	6	71,148	114,220	185,368	127,130	179,311	306,441
Total resources expended		95,521	114,220	209,741	156,287	179,311	335,598
Net incoming/ (outgoing) resources before transfers		125,665	(18,658)	107,007	35,934	(51,016)	(15,082)
Gross transfers between funds	12	(46,382)	46,382	-	(28,621)	28,621	-
Net income/(expenditure) for the year/ Net movement in funds		79,283	27,724	107,007	7,313	(22,395)	(15,082)
Fund balances at 1 January 2020		292,554	157,453	450,007	285,241	179,848	465,089
Fund balances at 31 December 2020		371,837	185,177	557,014	292,554	157,453	450,007

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

HOPE NOW LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13		175,456		176,575
Current assets					
Debtors	14	9,625		2,523	
Cash at bank and in hand		375,193		275,741	
		<u>384,818</u>		<u>278,264</u>	
Creditors: amounts falling due within one year	15	<u>(3,260)</u>		<u>(4,832)</u>	
Net current assets			381,558		273,432
Total assets less current liabilities			<u>557,014</u>		<u>450,007</u>
Income funds					
Restricted funds	16		185,177		157,453
Unrestricted funds			371,837		292,554
			<u>557,014</u>		<u>450,007</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020.

The trustees' acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 26TH JULY 2021.

Jim Barnes

Mr J Barnes
Trustee

Company Registration No. 03589593

HOPE NOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Hope Now Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Malvern Centre, Malvern Road, Southampton, Hampshire, SO16 6PY.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The Charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- when donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods; and
- when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

HOPE NOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Interest receivable:

Interest receivable is included in investment income when it is receivable by the charitable company.

Rental income:

Rent is received on a monthly basis and is recognised when due.

Intangible income, comprising donated services, is included in incoming resources at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised when there is no financial cost borne by a third party.

1.5 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on the accruals basis and includes irrecoverable VAT. Expenditure is allocated to categories either on a direct or a usage basis.

Expenditure that is directly attributable to raising funds is included in the costs of generating funds. This includes production of the newsletter and ministry.

Expenditure attributable to meeting the aims and objectives, including the support costs, is included in charitable activities.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	None
Fixtures, fittings & equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

There is no depreciation on land and buildings as, in the opinion of the trustees, the residual value is such that any provision for depreciation in the period and over the life of the asset is believed to be immaterial. Furthermore, it is the charity's policy to maintain the offices in such condition that the value is not impaired by the passage of time. Such expenditure is charged to the income and expenditure account in the year in which it is committed. Impairment reviews are carried out periodically and whenever there is evidence that the value of a tangible asset, or class of assets may be impaired.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

HOPE NOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

HOPE NOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.13 Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	210,154	95,562	305,716	171,823	128,295	300,118
Legacies receivable	4,961	-	4,961	13,089	-	13,089
	<u>215,115</u>	<u>95,562</u>	<u>310,677</u>	<u>184,912</u>	<u>128,295</u>	<u>313,207</u>
Donations and gifts						
Ukraine	-	86,324	86,324	-	122,185	122,185
South Africa	-	6,711	6,711	-	5,150	5,150
Sri Lanka	-	2,527	2,527	-	960	960
Other	210,154	-	210,154	171,823	-	171,823
	<u>210,154</u>	<u>95,562</u>	<u>305,716</u>	<u>171,823</u>	<u>128,295</u>	<u>300,118</u>

3 Investments

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Rental income	4,500	6,300
Interest receivable	432	1,009
	<u>4,932</u>	<u>7,309</u>

HOPE NOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Other income

	Unrestricted funds	Total
	2020 £	2019 £
Coronavirus Job Retention Scheme grant	1,139	-

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
<u>Newsletter production and ministry</u>		
Newsletter production and ministry	10,946	9,548
Other fundraising costs	2,647	1,089
Staff costs	10,780	18,520
	<u>24,373</u>	<u>29,157</u>
Newsletter production and ministry	24,373	29,157
	<u>24,373</u>	<u>29,157</u>

HOPE NOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities

	Charitable Expenditure 2020 £	Charitable Expenditure 2019 £
Staff costs	6,990	25,144
Grant funding of activities (see note 7)	129,694	185,357
Share of support costs (see note 8)	42,346	89,952
Share of governance costs (see note 8)	6,338	5,988
	<u>185,368</u>	<u>306,441</u>
Analysis by fund		
Unrestricted funds	71,148	127,130
Restricted funds	114,220	179,311
	<u>185,368</u>	<u>306,441</u>

The charity undertakes its charitable activities through grant making and awarded grants to a number of institutions and individuals in furtherance of its charitable activities.

Staff costs are apportioned on the estimated time spent by each individual during the year. Other costs are allocated based on their nature, fundraising costs are deemed to be the production of the monthly newsletter and associated costs relating to its distribution.

7 Grants payable

	2020 £	2019 £
Grants to institutions:		
Ukraine	80,758	105,917
South Africa	4,017	8,390
Sri Lanka	3,270	18,051
	<u>88,045</u>	<u>132,358</u>
Grants to individuals	41,649	52,999
	<u>129,694</u>	<u>185,357</u>

HOPE NOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Grants payable

(Continued)

Grants paid to institutions in Ukraine are made via Hope Now (Ukraine). Hope Now (Ukraine) assists in the distribution of monies to the correct individuals and organisations.

In South Africa, the main recipients of grants paid to institutions are Transformation Pollsmoor (who took over the Prison Ministry, funded by the charity) and 1st Care South Africa (who took over the running of Rainbow House), funded by the charity.

In Sri Lanka, the recipient of the grants is Farms Lanka.

8 Support costs

	Support costs	Governance costs	2020	2019	Basis of allocation
	£	£	£	£	
Staff costs	17,068	-	17,068	56,367	Time spent
Depreciation	1,119	-	1,119	681	Direct
Rates	2,061	-	2,061	2,215	Direct
Insurance	2,117	-	2,117	1,743	Direct
Light and heat	1,322	-	1,322	1,513	Direct
Repairs & maintenance	1,292	-	1,292	1,564	Direct
Post, stat'ery & printing	3,797	-	3,797	5,371	Direct
Telephone and fax	1,297	-	1,297	2,062	Direct
Motor, vehicle lease and travelling	6,144	-	6,144	11,883	Direct
Computer costs	2,261	-	2,261	2,418	Direct
Hire of equipment	3,720	-	3,720	3,642	Direct
Sundry costs	148	-	148	493	Direct
Examiners fees	-	3,013	3,013	4,134	Governance
Legal and professional	-	3,325	3,325	-	Governance
Meeting costs	-	-	-	1,854	Governance
	<u>42,346</u>	<u>6,338</u>	<u>48,684</u>	<u>95,940</u>	
Analysed between					
Charitable activities	<u>42,346</u>	<u>6,338</u>	<u>48,684</u>	<u>95,940</u>	

Governance costs include payments to the accountant of £3,000 (2019: £3,000) for examiners fees and £13 (2019: £1,134 for other services).

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, and none of them were reimbursed expenses (2019- £none).

HOPE NOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Chief Executive Officer	1	1
Accounts Manager	-	1
Administrative Assistant	1	1
Youth Worker	-	1
	<u>2</u>	<u>4</u>

Employment costs

	2020 £	2019 £
Wages and salaries	34,375	93,002
Social security costs	-	5,321
Other pension costs	463	1,708
	<u>34,838</u>	<u>100,031</u>

Key management personnel include the Chief Executive. The total employee benefits of the charity's key management personnel were £21,675 (2019: £43,307).

The services of the acting Chief Executive throughout the period and the acting Accounts Manager from March 2020 have been provided on a voluntary basis.

In the year, one employee received a termination payment of £7,225 (2019: £-)

Other pension costs are to a defined contribution pension scheme.

There were no employees whose annual remuneration was £60,000 or more.

11 Taxation

As a charity, Hope Now Limited is exempt from tax on income and capital gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

12 Transfers

The transfers from the unrestricted fund totalling £46,382 (2019 - £28,621) represent overspends on the restricted funds, where additional funds have been made available from the unrestricted fund to make good any deficits. Whilst these are technically amounts granted from unrestricted funds, the trustees want to make it clear what level of funds were required from unrestricted funds to make good commitments. Where transfers occur between restricted funds, this is usually due to income received available for more than one purpose and would usually be required to be spent in a certain geographical area.

HOPE NOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

13 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2020	174,339	31,358	205,697
Disposals	-	(6,363)	(6,363)
At 31 December 2020	174,339	24,995	199,334
Depreciation and impairment			
At 1 January 2020	-	29,122	29,122
Depreciation charged in the year	-	1,119	1,119
Eliminated in respect of disposals	-	(6,363)	(6,363)
At 31 December 2020	-	23,878	23,878
Carrying amount			
At 31 December 2020	174,339	1,117	175,456
At 31 December 2019	174,339	2,236	176,575

In the opinion of the trustees, the charity's land and buildings have a current market value of approximately £275,000.

14 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	-	60
Other debtors	7,392	1,334
Prepayments and accrued income	2,233	1,129
	9,625	2,523

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	-	1,552
Accruals and deferred income	3,260	3,280
	3,260	4,832

HOPE NOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes. Details of the policy on transfers between funds is shown in note 12 to the financial statements.

	Movement in funds				
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 31 December 2020
	£	£	£	£	£
South Africa	15,853	6,711	(4,017)	(258)	18,289
Sri Lanka	742	2,528	(3,270)	-	-
Ukraine - General	200	2,400	(29,885)	27,285	-
Ukraine - Kompas Park	3,416	5,891	(7,075)	(75)	2,157
Ukraine - Orphanages	48,535	9,073	(8,772)	23,564	72,400
Ukraine - Education	49,077	32,778	(24,757)	(4,249)	52,849
Ukraine - Relief of poverty	19,411	14,326	(16,894)	140	16,983
Ukraine - Evangelism/Churches	14,235	12,636	(12,290)	(25)	14,556
Ukraine - Medical	4,507	7,684	(6,800)	-	5,391
Ukraine - Prisons	1,477	1,535	(460)	-	2,552
	<u>157,453</u>	<u>95,562</u>	<u>(114,220)</u>	<u>46,382</u>	<u>185,177</u>

South Africa:

This represents prison ministry and related projects carried out in South Africa, funds are paid to Transformation Pollsmoor who operate this activity.

Sri Lanka - Farms Lanka:

This represents support to 'Farms Lanka', an independent mission organisation.

Ukraine General Fund:

This represents donations and sponsorship received specifically for expenditure in Ukraine, but not restricted to any one individual or family, payments are made to Hope Now Ukraine who aid in the distribution of the funds and operate Kompas Park.

Ukraine - Kompas Park:

Kompas Park is a centre funded by the charity used for summer camps, giving holiday breaks to disadvantaged children and widows and widowers.

Ukraine - Orphanages:

This represents financial and practical help given by the charity to orphanages in the Cherkassy Oblast.

Ukraine - Education:

This represents programmes of education sponsored by the Ukrainian Department of Education.

Ukraine - Relief of Poverty:

This represents grants made by the charity to disadvantaged families who are struggling with poverty.

Ukraine - Evangelism/Churches:

This represents help provided to churches, including grants to build Sunday Schools, grants for structural repairs and the setting up and running of programmes promoting and advancing the Christian faith.

HOPE NOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Restricted funds

(Continued)

Ukraine - Medical and prisons:

This represents prison ministry and related projects carried out in Ukraine, together with the funding of a mobile medical/dental unit in the Kirovograd region.

17 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Tangible assets	175,456	-	175,456	176,575	-	176,575
Current assets/ (liabilities)	196,381	185,177	381,558	115,979	157,453	273,432
	<u>371,837</u>	<u>185,177</u>	<u>557,014</u>	<u>292,554</u>	<u>157,453</u>	<u>450,007</u>

At 31 December 2020 the amount of the Free Reserves at the charity's disposal was £196,381 (2019 - £115,979).

18 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	4,767	4,767
Between two and five years	795	5,562
	<u>5,562</u>	<u>10,329</u>

19 Related party transactions

During the year the trustees made donations to the charity totalling £4,027 (2019: £5,725).