

Charity Registration No. 1072645

Company Registration No. 03578938 (England and Wales)

NEW COMMUNITY NETWORK
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

NEW COMMUNITY NETWORK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr W R Kennedy Mr C N D Romilly Mr A Sheen Mrs K Swift Mr J Cathie
Charity number	1072645
Company number	03578938
Principal address	Central Hall St Mary Street Southampton Hants SO14 1NF
Registered office	Central Hall St Mary Street Southampton Hants SO14 1NF
Auditor	Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF
Bankers	Barclays Bank PLC Hatton Garden Business Centre 99 Hatton Garden London EC1N 8DN CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Solicitors	Blake Morgan New Kings Court Tollgate Chandler's Ford Eastleigh Hampshire SO53 3LG

NEW COMMUNITY NETWORK

CONTENTS

	Page
Trustees' report	1-4
Statement of trustees' responsibilities	5
Independent auditor's report	6-9
Consolidated statement of financial activities	10-11
Charity statement of financial activities	12-13
Consolidated and charity statement of financial position	14
Consolidated statement of cash flows	15
Notes to the financial statements	16-32

NEW COMMUNITY NETWORK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report and financial statements for the year ended 31 August 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: 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) (effective 1 January 2019)".

Objectives and activities

The objectives of the charity are:

- To advance the Christian faith;
- To advance education;
- To promote the creative arts for the public benefit;
- To relieve those who are poor, in conditions of need, hardship or distress or who are aged or sick; and
- To promote such other charitable objects as the trustees shall from time to time determine.

The Trustees have considered and have had due regard to the Commission's guidance on public benefit and, in particular, the specific guidance on activities for the advancement of religion.

The Trustees are satisfied that the objectives of the Charity have been met, and that appropriate procedures and controls are in place to ensure continued operation.

Grant making policy

The charity is not primarily a grant making charity and does not solicit applications from organisations or individuals. We will from time to time make grants from our own funds or specifically raise funds for projects undertaken by other organisations. This would normally be in a geographical location and for a purpose we cannot undertake ourselves e.g. international crisis relief.

We will also make small grants to individuals with whom we have personal contact to enable them to achieve one of our charitable objectives. All grants are monitored to ensure they are used for the purpose that they are given.

Grants made during the year amounted to £125,277 (2021: £96,779) and were made up of £22,686 of grants to individuals (2021: £13,088) and £102,591 of grants to institutions (2021: £83,691). An analysis of institutional grants made above £10,000 is provided in note 9 in the accounts.

Achievements and performance

Advance the Christian faith

2021/22 saw many of the coronavirus pandemic and associated restrictions lifted and we were able to recommence in-person gatherings. New Community Church's expressions of church at both Central Hall and St Andrews in Sholing began to meet again.

These have continued to be supported by a wide variety of small group activities throughout the week including Alpha courses for those exploring faith, group activities for young people, Zoom prayer meetings and learning opportunities for those who want to study in more depth.

School of Ministries is our teaching and training programme which develops and trains leaders in Christian ministry, working mainly in developing countries where leaders would be unable to attend traditional training establishments. We have now successfully translated most of the training modules into French and have been able to video record [in English] nearly all the modules for use overseas. This has resulted in a multiplication of schools, especially in a number of African nations.

NEW COMMUNITY NETWORK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Advance Education

We continue to partner with New Generation Schools Trust to deliver primary education through Hope Community School. The school are currently tenants of Central Hall as a temporary site whilst permanent facilities are being built nearby. This year the new site was secured and plans are underway to design, plan and build with an opening date of September 2024.

This year we increased from 160 to 185 children. As a church we have an agreement to provide governance, chaplaincy, volunteers and wrap-around services.

The profile and reputation of our Central Counselling and Training Service [CCTS] continued to grow with our training courses and counselling services receiving consistently positive feedback.

Promote Creative Arts

We have provided a supportive environment for artists, singers, and musicians. Pre-pandemic, local orchestras, bands, and choirs regularly used Central Hall as a performance venue. This was halted with restrictions during the pandemic but now that restrictions have lifted events are now being booked and our trading subsidiary, New Community Ventures, has begun to see a growing momentum of bookings for 2022/23.

Relief of the poor and those in need, hardship or distress

Our 'community hub' at Central Hall which provides an umbrella for the various caring initiatives that we operate has continued to function throughout the year. We have been able to host a variety of groups - Bake Club, Creative English classes, Special Guardians group for grandparents caring for their grandchildren as well as a new initiative, Kintsugi well-being groups. The Community Cafe was open every Sunday afternoon to provide hot food and drinks for up to 100 guests.

Through the work of our Hope Community School chaplain, we have supported children and families from the local area with targeted educational and practical support. The Baby Branch has continued to operate from its base at St Andrews in Sholing, providing baby clothes and equipment to mothers in need. We have also been able to provide local community members with food through a weekly Fair Share operation.

We have continued to support the work of the Umoja group in Kibera, Kenya. This year we have been able to raise additional funds to help with food distribution and the ongoing feeding project during the pandemic. We have been able to sponsor individual children, orphanages and other relief projects in Kenya and India.

Financial review

The principal funding sources for the Charity are voluntary donations and income from hire of facilities. These funds are used to operate a number of church congregations and projects with a Christian ethos.

Voluntary giving decreased to £565,439 (2021 - £595,907). Unrestricted voluntary income, which includes donations and related tax recovered, was £476,987 (2021 - £525,852) and restricted voluntary income £88,452 (2021 - £70,055).

The Consolidated Statement of Financial Activities reports an overall deficit of £113,455 (2021 - surplus £154,678) for the year. However, this includes a depreciation charge, which is a non-cash item, of £52,885 (2021 - £53,632).

Capital expenditure in the year was £6,415 (2021: £7,996).

The balance outstanding on our bank loan as at the end of the financial year was £542,169 (2021: £571,585). New Community Ventures Ltd (NCV) made a profit of £2,385 (2021 - £53,054).

Total funds held as at 31 August 2022 were £1,221,092 (2021: £1,334,547), of which £279,987 (2021: £390,478) were restricted, and £941,105 (2021: £944,069) were unrestricted.

NEW COMMUNITY NETWORK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2022**

Reserves policy

The board of trustees has examined the charity's requirements for reserves in the light of the main risks to the organisation. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should be kept to the lowest possible figure, recognising the intent and purpose of those who donate funds to the charity. However, we also recognise the need to make provision for working capital to cover the regular fluctuations in income and expenditure and accordingly our policy is to maintain free reserves at three months worth of operating costs. At this level, the board of trustees feel that they would be able to continue the current activities of the charity for a sufficient period in the event of a significant change in funding patterns to consider how the funding would be replaced or activities changed.

The group free reserves (defined as the unrestricted net current assets of the group) at 31 August 2022 were £275,995 (2021: £257,097).

Investment policy

The board of trustees has considered the most appropriate policy for investing the charity's short-term funds and has found that interest bearing current accounts and deposit accounts, designed for the charity sector, meet their requirements to generate a reasonable return with security of capital and ease of access as projects develop. The board of trustees considers the return on investments to be adequate. The charity has no long-term cash investments.

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.

Plans for future periods

We have benefited significantly from the use of Central Hall by Hope Community School over the past 5 years. The school has now purchased a site on which to build a new school facility. This will mean that the current licence agreement will come to an end in August 2024.

We are now exploring a number of options for the future use of Central Hall recognising the impact that the loss of rental income from the school will have on the organisation.

The Trustees have commissioned a report to explore the following options:

1. Sell the building and purchase/lease/build a new facility.
2. Refocus our efforts to make the building an events venue with income to cover the anticipated shortfall.
3. Look at a more creative remodelling of the building with mixed use that will create an income.

Structure, governance and management

Governing document

New Community Network is a charitable company limited by guarantee, incorporated on 10 June 1998 as The Cornerstone Network and registered as a charity on 30 November 1998. The name was changed to New Community Network at an Extraordinary General Meeting held on 19 September 2005.

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association which was amended by special resolution on 29 March 2022.

New Community Ventures Limited

New Community Ventures Limited is a private company limited by shares, incorporated on 27 January 2017. New Community Network owns the entire share capital.

NEW COMMUNITY NETWORK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Recruitment and appointment of board of trustees

Trustees are normally, but not exclusively, recruited from the members of the charity who are all fully supportive of our aims and practically involved in the work of the charity. We aim to keep a balance of skills and backgrounds to facilitate the efficient functioning of the group. A comprehensive package of training utilising Charity Commission publications and other materials is provided to ensure that trustees are aware of their responsibilities and the hallmarks of good governance. Under the requirements of the Memorandum and Articles of Association one third of the members of the board of trustees must retire each year at the AGM.

Organisational structure and decision making processes

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 W R Kennedy

Mrs S M Frame

(Resigned 17 January 2022)

Mr C N D Romilly

Mr A Sheen

Mrs K Swift

Mr J Cathie

Membership – The Charity Members form a panel of reference for the full time staff and volunteers. They meet formally at the Annual General Meeting and appoint the trustees.

Board of Trustees – The Trustees meet once per quarter to review progress against activities planned and set budgets for the year. Individual trustees work closely with staff to ensure best practice is applied and good governance is maintained.

Executive Team – The Executive Team meet monthly to oversee the day to day running of the organisation, assess the effectiveness of the various teams and manage the budget.

The pay and remuneration of the Charity's key management personnel are set by benchmarking against equivalent roles in similar organisations in the charity sector. They are reviewed annually and are subject to individual and company performance.

Risk management

The Board of Trustees has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects, and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

Auditor

In accordance with the company's articles, a resolution proposing that Caladine Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

.....
Mr W R Kennedy

Trustee

Dated:

NEW COMMUNITY NETWORK

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees, who are also the directors of New Community Network for the purpose of company law, 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).

Company Law requires the trustees to prepare financial statements for each financial 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, including the income and expenditure, of the charitable company for that year.

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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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 Companies Act 2006. 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.

NEW COMMUNITY NETWORK

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEW COMMUNITY NETWORK

Opinion

We have audited the financial statements of New Community Network (the 'parent charitable company') and its subsidiary together (the 'group') for the year ended 31 August 2022 which comprise the group and parent charitable company statement of financial activities, the group and parent charitable company statements of financial position, the consolidated 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 group's and of the parent charitable company's affairs as at 31 August 2022 and of the group's incoming resources and application of resources, 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 Companies Act 2006.

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 group and parent charitable company 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.

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.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

NEW COMMUNITY NETWORK

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF NEW COMMUNITY NETWORK

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 group's and parent charitable company'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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

NEW COMMUNITY NETWORK

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF NEW COMMUNITY NETWORK

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company, including the Companies Act 2006, Charities Act 2011, employment legislation, health and safety, and Anti-Money Laundering laws;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

NEW COMMUNITY NETWORK

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF NEW COMMUNITY NETWORK

Mr Colin James Dadswell ACCA (Senior Statutory Auditor)
for and on behalf of Caladine Limited

.....

Chartered Certified Accountants
Statutory Auditor

Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

NEW COMMUNITY NETWORK

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<u>Income and endowments from:</u>					
Donations and legacies	3	476,987	88,452	565,439	595,907
Charitable activities	4	45,161	-	45,161	70,351
Other trading activities	5	379,448	-	379,448	482,106
Investments	6	92	-	92	148
Total income		901,688	88,452	990,140	1,148,512
<u>Expenditure on:</u>					
Raising funds	7	410,895	-	410,895	335,091
Charitable activities	8	483,535	209,165	692,700	658,743
Total resources expended		894,430	209,165	1,103,595	993,834
Net incoming resources before transfers		7,258	(120,713)	(113,455)	154,678
Gross transfers between funds	19	(10,222)	10,222	-	-
Net income/(expenditure) for the year/Net movement in funds		(2,964)	(110,491)	(113,455)	154,678
Fund balances at 1 September 2021		944,069	390,478	1,334,547	1,179,869
Fund balances at 31 August 2022		941,105	279,987	1,221,092	1,334,547

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.

NEW COMMUNITY NETWORK

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £
<u>Income and endowments from:</u>				
Donations and legacies	3	525,852	70,055	595,907
Charitable activities	4	70,351	-	70,351
Other trading activities	5	482,106	-	482,106
Investments	6	148	-	148
Total income		1,078,457	70,055	1,148,512
<u>Expenditure on:</u>				
Raising funds	7	335,091	-	335,091
Charitable activities	8	448,279	210,464	658,743
Total resources expended		783,370	210,464	993,834
Net incoming resources before transfers		295,087	(140,409)	154,678
Gross transfers between funds	19	6,285	(6,285)	-
Net income/(expenditure) for the year/Net movement in funds		301,372	(146,694)	154,678
Fund balances at 1 September 2020		642,697	537,172	1,179,869
Fund balances at 31 August 2021		944,069	390,478	1,334,547

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.

NEW COMMUNITY NETWORK

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 AUGUST 2022

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<u>Income and endowments from:</u>				
Donations and legacies	506,750	88,452	595,202	805,442
Charitable activities	45,161	-	45,161	75,631
Other trading activities	11,993	-	11,993	5,757
Investments	80	-	80	148
Total income	563,984	88,452	652,436	886,978
<u>Expenditure on:</u>				
Raising funds	6,821	-	6,821	2,138
Charitable activities	552,290	209,165	761,455	783,216
Total resources expended	559,111	209,165	768,276	785,354
Net incoming resources before transfers	4,873	(120,713)	(115,840)	101,624
Gross transfers between funds	(10,222)	10,222	-	-
Net income for the year/ Net movement in funds	(5,349)	(110,491)	(115,840)	101,624
Fund balances at 1 September 2021	940,433	390,478	1,330,911	1,229,287
Fund balances at 31 August 2022	935,084	279,987	1,215,071	1,330,911

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.

NEW COMMUNITY NETWORK

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted funds £	Restricted funds £	Total 2021 £
<u>Income and endowments from:</u>			
Donations and legacies	735,387	70,055	805,442
Charitable activities	75,631	-	75,631
Other trading activities	5,757	-	5,757
Investments	148	-	148
Total income	816,923	70,055	886,978
<u>Expenditure on:</u>			
Raising funds	2,138	-	2,138
Charitable activities	572,752	210,464	783,216
Total resources expended	574,890	210,464	785,354
Net incoming resources before transfers	242,033	(140,409)	101,624
Gross transfers between funds	6,285	(6,285)	-
Net income for the year/ Net movement in funds	248,318	(146,694)	101,624
Fund balances at 1 September 2020	692,115	537,172	1,229,287
Fund balances at 31 August 2021	940,433	390,478	1,330,911

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.

NEW COMMUNITY NETWORK

STATEMENTS OF FINANCIAL POSITION

AS AT 31 AUGUST 2022

	Notes	Group		Charity	
		2022 £	2021 £	2022 £	2021 £
Fixed assets					
Property, plant and equipment	12	1,182,182	1,228,651	1,176,159	1,225,012
Investments	13	-	-	1,000	1,000
		<u>1,182,182</u>	<u>1,228,651</u>	<u>1,177,159</u>	<u>1,226,012</u>
Current assets					
Inventories		1,126	5,350	-	-
Trade and other receivables	14	52,146	70,980	40,023	135,861
Cash at bank and in hand		611,191	681,756	570,930	570,729
		<u>664,463</u>	<u>758,086</u>	<u>610,953</u>	<u>706,590</u>
Current liabilities	15	(108,481)	(110,511)	(55,969)	(60,012)
Net current assets		<u>555,982</u>	<u>647,575</u>	<u>554,984</u>	<u>646,578</u>
Total assets less current liabilities		<u>1,738,164</u>	<u>1,876,226</u>	<u>1,732,143</u>	<u>1,872,590</u>
Non-current liabilities	16	(517,072)	(541,679)	(517,072)	(541,679)
Net assets		<u><u>1,221,092</u></u>	<u><u>1,334,547</u></u>	<u><u>1,215,071</u></u>	<u><u>1,330,911</u></u>
Income funds					
Restricted funds	19	279,987	390,478	279,987	390,478
Unrestricted funds		941,105	944,069	935,084	940,433
		<u>1,221,092</u>	<u>1,334,547</u>	<u>1,215,071</u>	<u>1,330,911</u>

The financial statements were approved by the Trustees on _____.

.....
Mr W R Kennedy
Trustee

Company Registration No. 03578938

NEW COMMUNITY NETWORK

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	24	(17,481)		207,068	
Investing activities					
Purchase of property, plant and equipment		(6,415)		(7,996)	
Proceeds on disposal of property, plant and equipment		-		-	
Income from investments		92		148	
Net cash used in investing activities			(6,323)		(7,848)
Financing activities					
Repayment of other borrowings		-		(50,000)	
Repayment of bank loans		(46,761)		(47,171)	
Net cash used in financing activities			(46,761)		(97,171)
Net (decrease)/increase in cash and cash equivalents			(70,565)		102,049
Cash and cash equivalents at beginning of year			681,756		579,707
Cash and cash equivalents at end of year			611,191		681,756

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Company information

New Community Network is a charitable company limited by guarantee incorporated in England and Wales. The registered office is Central Hall, St Mary Street, Southampton, Hants, SO14 1NF.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

The group financial statements include the accounts of New Community Network (the charity) and its subsidiary New Community Ventures Limited.

1.2 Going concern

At the time of approving the financial statements, 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 financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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.

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 is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Other trading income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (Continued)

1.5 Expenditure

Liabilities are recognised when a constructive obligation exists, the payment is probable and the obligation can be measured or estimated reliably.

Resources expended are allocated to the particular cost centre to which they relate and include irrecoverable VAT.

Grants payable are charged in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, 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 basis:

Freehold land and buildings	50 years straight line
Plant and equipment	5 - 10 years straight line
Fixtures and fittings	5 - 10 years straight line
Computers	3 years 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.

Items of equipment are capitalised where the purchase price exceeds £1,000.

1.7 Non-current investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of non-current 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).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.9 Inventories

Inventories are stated at lower of cost and estimated selling price less costs to sell.

1.10 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.

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (Continued)

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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

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 trade and other receivables 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 trade and other payables 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.

Derecognition of financial liabilities

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

1.12 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.

1.13 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Donations and gifts	476,987	88,452	565,439	595,907
	<u>476,987</u>	<u>88,452</u>	<u>565,439</u>	<u>595,907</u>
Donations and gifts 2022				
Donations and gifts	391,998	80,167	472,165	
Government furlough grant	369	-	369	
Gift aid	84,620	8,285	92,905	
	<u>476,987</u>	<u>88,452</u>	<u>565,439</u>	
	<u>476,987</u>	<u>88,452</u>	<u>565,439</u>	
Donations and gifts 2021				
Donations and gifts	416,132	63,610		479,742
Legacies receivable	120	-		120
Government furlough grant	24,960	-		24,960
Gift aid	84,640	6,445		91,085
	<u>525,852</u>	<u>70,055</u>		<u>595,907</u>
	<u>525,852</u>	<u>70,055</u>		<u>595,907</u>

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Charitable activities 2022

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Fee income	41,078	-	41,078	40,568
Training fees	4,083	-	4,083	23,308
Other income	-	-	-	6,475
	<u>45,161</u>	<u>-</u>	<u>45,161</u>	<u>70,351</u>

Charitable activities 2021

	Unrestricted funds £	Restricted funds £	Total 2021 £
Fee income	40,568	-	40,568
Training fees	23,308	-	23,308
Other income	6,475	-	6,475
	<u>70,351</u>	<u>-</u>	<u>70,351</u>

5 Other trading activities 2022

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Rental and hire charges	368,655	-	368,655	477,549
Trading activities	10,793	-	10,793	4,557
	<u>379,448</u>	<u>-</u>	<u>379,448</u>	<u>482,106</u>

Other trading activities 2021

	Unrestricted funds £	Restricted funds £	Total 2021 £
Rental and hire charges	477,549	-	477,549
Trading activities	4,557	-	4,557
	<u>482,106</u>	<u>-</u>	<u>482,106</u>

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

6 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Interest receivable	92	148

7 Raising funds 2022

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<u>Trading costs</u>				
Staff costs	130,933	-	130,933	133,291
Cost of trading subsidiaries	17,840	-	17,840	3,376
Building costs	92,181	-	92,181	60,239
Communications	6,216	-	6,216	3,479
Finance costs	730	-	730	391
Resource costs	79,494	-	79,494	46,435
Depreciation	1,936	-	1,936	1,870
Support costs (see note 10)	81,565	-	81,565	86,010
	<u>410,895</u>	<u>-</u>	<u>410,895</u>	<u>335,091</u>

Raising funds 2021

	Unrestricted funds £	Restricted funds £	Total 2021 £
<u>Trading costs</u>			
Staff costs	133,291	-	133,291
Cost of trading subsidiaries	3,376	-	3,376
Building costs	60,239	-	60,239
Communications	3,479	-	3,479
Finance costs	391	-	391
Resource costs	46,435	-	46,435
Depreciation	1,870	-	1,870
Support costs (see note 10)	86,010	-	86,010
	<u>335,091</u>	<u>-</u>	<u>335,091</u>

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Charitable activities

	2022 £	2021 £
Staff costs	289,656	268,951
Counselling, events, courses and community work	86,154	98,181
	<u>375,810</u>	<u>367,132</u>
Grant funding of activities (see note 9)	125,277	96,779
Share of support costs (see note 10)	180,442	174,779
Share of governance costs (see note 10)	11,171	20,053
	<u>692,700</u>	<u>658,743</u>
Analysis by fund		
Unrestricted funds	483,535	448,279
Restricted funds	209,165	210,464
	<u>692,700</u>	<u>658,743</u>

9 Grants payable

	2022 £	2021 £
Grants to institutions:		
Umoja	19,783	11,658
Pioneer Trust	17,608	14,200
Other grants below £10,000	65,200	57,833
	<u>102,591</u>	<u>83,691</u>
Grants to individuals	22,686	13,088
	<u>125,277</u>	<u>96,779</u>

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Support costs 2022

	Support costs £	Governance costs £	Total 2022 £	Total 2021 £
Staff costs	126,068	-	126,068	137,059
Depreciation	50,949	-	50,949	51,762
Counselling, events, courses and community work	16,047	-	16,047	25,559
Finance costs	19,948	-	19,948	18,965
Insurance costs	13,116	-	13,116	17,491
Resource costs	26,973	-	26,973	5,492
Other costs	8,906	-	8,906	4,461
Audit fees	-	4,680	4,680	4,680
Accountancy	-	5,680	5,680	5,880
Legal and professional	-	811	811	9,493
	<u>262,007</u>	<u>11,171</u>	<u>273,178</u>	<u>280,842</u>

Analysed between

Raising funds	81,565	-	81,565
Charitable activities	180,442	11,171	191,613
	<u>262,007</u>	<u>11,171</u>	<u>273,178</u>

Support costs 2021

	Support costs £	Governance costs £	Total 2021 £
Staff costs	137,059	-	137,059
Depreciation	51,762	-	51,762
Counselling, events, courses and community work	25,559	-	25,559
Finance costs	18,965	-	18,965
Insurance costs	17,491	-	17,491
Resource costs	5,492	-	5,492
Other costs	4,461	-	4,461
Audit fees	-	4,680	4,680
Accountancy	-	5,880	5,880
Legal and professional	-	9,493	9,493
	<u>260,789</u>	<u>20,053</u>	<u>280,842</u>

Analysed between

Raising funds	86,010	-	86,010
Charitable activities	174,779	20,053	194,832
	<u>260,789</u>	<u>20,053</u>	<u>280,842</u>

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	29	29
	29	29

Employment costs

	2022 £	2021 £
Wages and salaries	503,456	495,085
Social security costs	28,140	28,826
Other pension and life insurance costs	15,061	15,450
	546,657	539,361

No employee earned more than £60,000 during the year (2021: none).

12 Property, plant and equipment

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 September 2021	2,058,159	159,311	79,909	12,935	2,310,314
Additions	-	-	-	6,415	6,415
Disposals	-	-	-	(575)	(575)
At 31 August 2022	2,058,159	159,311	79,909	18,775	2,316,154
Depreciation and impairment					
At 1 September 2021	851,079	150,602	69,494	10,488	1,081,663
Depreciation	41,163	2,095	7,256	2,370	52,884
Eliminated in respect of disposals	-	-	-	(575)	(575)
At 31 August 2022	892,242	152,697	76,750	12,283	1,133,972
Carrying amount					
At 31 August 2022	1,165,917	6,614	3,159	6,492	1,182,182
At 31 August 2021	1,207,080	8,709	10,415	2,447	1,228,651

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

13 Fixed asset investments - see note 22

Investments in subsidiaries	Group £	Charity £
Cost		
At 1 September 2021 & 31 August 2022	-	1,000
Carrying amount		
At 31 August 2022	-	1,000
At 31 August 2021	-	1,000

14 Trade and other receivables

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year:				
Amounts owed by subsidiary undertakings	-	-	24,655	122,709
Trade receivables	30,976	49,799	2,461	2,104
Other receivables	6,023	7,590	6,023	7,590
Prepayments and accrued income	15,147	13,591	6,884	3,458
	<u>52,146</u>	<u>70,980</u>	<u>40,023</u>	<u>135,861</u>

15 Current liabilities

		Group		Charity	
		2022	2021	2022	2021
	Notes	£	£	£	£
Bank loans	17	25,097	29,906	25,097	29,906
Other taxation and social security		14,328	16,870	10,404	11,462
Deferred income		40,552	33,780	-	-
Trade payables		13,616	16,414	7,498	6,372
Other creditors		3,610	-	3,610	-
Accruals and deferred income		11,278	13,541	9,360	12,272
		<u>108,481</u>	<u>110,511</u>	<u>55,969</u>	<u>60,012</u>

16 Non-current liabilities

		Group		Charity	
		2022	2021	2022	2021
	Notes	£	£	£	£
Bank loans	17	<u>517,072</u>	<u>541,679</u>	<u>517,072</u>	<u>541,679</u>

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Borrowings

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	542,169	571,585	542,169	571,585
Payable within one year	25,097	29,906	25,097	29,906
Payable after one year	517,072	541,679	517,072	541,679
	542,169	571,585	542,169	571,585
Amounts included above which falls after five years:				
Payable by instalments	413,708	413,752	413,708	413,572

The mortgage is secured on the property at Central Hall, St Mary Street, Southampton, SO14 1NF.

18 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £15,061 (2021- £15,450)

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 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:

	Movement in funds				
	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2022 £
Relief International:					
Jeevan Asha	20,562	8,825	(8,033)	-	21,354
Kibera development	10,197	21,453	(31,384)	6,000	6,266
Missionary maintenance services	9,499	11,809	(11,068)	-	10,240
School of ministry	10,650	32,080	(45,115)	8,604	6,219
Relief local:					
Central hall fund	1,797	419	-	-	2,216
Hardship fund	4,036	1,894	(5,631)	-	299
Rest and recoup fund	284,859	-	(77,505)	(5,004)	202,350
SO14 Mission fund	47,312	-	(17,454)	-	29,858
Special Guardians	737	-	(380)	-	357
Minor restricted funds	829	11,972	(12,595)	622	828
	<u>390,478</u>	<u>88,452</u>	<u>(209,165)</u>	<u>10,222</u>	<u>279,987</u>

Relief International

Jeevan Asha - Indian orphanage.

Kibera Development - Funding a school build and missionary work in Kibera.

Kibera Feeding Programme - Supporting a health and feeding programme in Kibera.

Kibera Pastoral Team - To fund church leader pastoral visits to Kibera.

Missionary Maintenance Services - Support for D & D Coates USA.

School of Ministry - Leadership development.

Relief local

Central Hall Fund - To fund ongoing renovation works to Central Hall.

Hardship fund - Local relief work.

Rest and recoup Fund - To provide a place for rest, recovery and convalescence.

SO14 Mission fund- To fund mission in Central Southampton.

Special Guardians - Support grandparents who are primarily carers for their grandchildren.

Transfers represent the reallocation of income and expenditure between funds.

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Restricted funds 2021

	Movement in funds				
	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2021 £
Relief International:					
Jeevan Asha	18,537	10,070	(8,045)	-	20,562
Kibera development	3,058	7,923	(15,355)	14,571	10,197
Kibera feeding programme	6,267	7,894	(5,590)	(8,571)	-
Missionary maintenance services	3,025	12,480	(6,006)	-	9,499
School of ministry	13,403	29,025	(40,335)	8,557	10,650
Relief local:					
Central hall fund	1,116	681	-	-	1,797
Hardship fund	8,613	1,045	(4,887)	(735)	4,036
Rest and recoup fund	400,244	-	(105,377)	(10,008)	284,859
SO14	82,180	-	(24,769)	(10,099)	47,312
Special Guardians	50	787	(100)	-	737
Minor restricted funds	679	150	-	-	829
	<u>537,172</u>	<u>70,055</u>	<u>(210,464)</u>	<u>(6,285)</u>	<u>390,478</u>

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 August 2022 are represented by:			
Property, plant and equipment	1,182,182	-	1,182,182
Current assets/(liabilities)	275,995	279,987	555,982
Long term liabilities	(517,072)	-	(517,072)
	<u>941,105</u>	<u>279,987</u>	<u>1,221,092</u>
	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 August 2021 are represented by:			
Property, plant and equipment	1,228,651	-	1,228,651
Current assets/(liabilities)	257,097	390,478	647,575
Long term liabilities	(541,679)	-	(541,679)
	<u>944,069</u>	<u>390,478</u>	<u>1,334,547</u>

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

2022 £	2021 £
126,141	137,071

Billy Kennedy is a trustee of New Community Network and is also a paid employee (Chief Executive). He was paid a salary and pension contributions of £34,681 during the year ended 31 August 2022 (2021: £43,887).

Caroline Kennedy, wife of trustee Bill Kennedy was employed by the charity and received a salary and pension contributions of £5,562 during the year ended 31 August 2022 (2021: £6,778).

Billy Kennedy is a trustee of Pioneer Trust. During the year ended 31 August 2022, New Community Network made sales to Pioneer Trust of £nil (2021: £1,555), and made purchases of £816 (2021: £1,135) New Community Network also paid grants amounting to £17,608 (2021: £14,200) to Pioneer Trust during the year.

The trustees and their close family or associated companies have donated an aggregate sum of £35,788 (2021: £43,145) to the charity.

Transactions with group companies

New Community Network was owed £24,655 (2021: £122,709) from New Community Ventures Limited at 31 August 2022.

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

22 Subsidiary undertakings

New Community Ventures Limited (no. 10586696) is a wholly owned trading subsidiary of New Community Network. It runs Central Hall as an events venue. Below is a summary of its financial results and position.

	2022 £	2021 £
Gross income	368,667	542,862
Expenditure	(336,519)	(271,576)
	<hr/>	<hr/>
Surplus/(Deficit)	32,148	271,286
Distributions to parent charity under gift aid	(29,763)	(218,232)
	<hr/>	<hr/>
Surplus after distributions	2,385	53,054
	<hr/>	<hr/>
Total assets	84,187	177,843
Total liabilities	(77,167)	(173,208)
	<hr/>	<hr/>
Equity	7,020	4,635
	<hr/>	<hr/>

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

23 Cash generated from operations

	2022 £	2021 £
Profit/(Deficit) for the year	(113,455)	154,678
Adjustments for:		
Investment income recognised in statement of financial activities	(92)	(148)
Interest payable	17,345	16,705
Loss on disposal of property, plant and equipment	-	-
Depreciation and impairment of property, plant and equipment	52,884	53,633
Movements in working capital:		
Decrease/(Increase) in inventories	4,224	(4,779)
Decrease/(Increase) in trade and other receivables	18,834	(11,772)
(Decrease)/Increase in trade and other payables	2,779	(1,249)
Cash generated from operations	(17,481)	207,068

24 Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	681,756	(70,565)	611,191
Loans falling due within one year	(29,906)	4,809	(25,097)
Loans falling due after more than one year	(541,679)	24,607	(517,072)
	110,171	(41,149)	69,022