

Charity registration number 1102396

Company registration number 4824843 (England and Wales)

**HOUSE ON THE ROCK**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# HOUSE ON THE ROCK

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr P A Adefarasin Mr A Oyewumi Dr C Ujam
<b>Charity number</b>	1102396
<b>Company number</b>	4824843
<b>Principal address</b>	The Rock Tower 49 Tufnell Park Road London N7 0PS
<b>Registered office</b>	The Rock Tower 49 Tufnell Park Road London N7 0PS
<b>Auditor</b>	D Lee & Co 2nd Floor, Premier House 309 Ballards Lane London N12 8LY
<b>Bankers</b>	Barclays Bank PLC 131 Finchley Road London NW3 6HY
<b>Solicitors</b>	Stone King 39 Cloth Fair London EC1A 7JQ

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# HOUSE ON THE ROCK

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# HOUSE ON THE ROCK

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

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The trustees present their annual report and financial statements for the year ended 31 December 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 governing document, 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 charity's objects are the worship of God and the furtherance of the gospel of Lord Jesus Christ and general advancement of the Christian faith and to relieve persons who are in conditions of need or hardship or who are aged or sick and to relieve distress caused thereby in London and in such other parts of the United Kingdom or the world as the Trustees may from time to time think fit.

Within these objects, the charity also maintains restricted funds held for special purposes in connection with the continued maintenance and renovation of the freehold property situated at 49 Tufnell Park Road, London N7 0PS.

There has been no changes in the charity's objects or policies during the year.

The main objectives of the charity for the year were:

- (1) The continuous spread of the Christian faith.
- (2) The ongoing maintenance of the Church building at Tufnell Park, known as "The Rock Tower" (TRT).
- (3) Development of alternative revenue generation sources for the church like hiring out the Church building at Tufnell Park "The Rock Tower" to external users, church members, other charities and the general public.
- (4) Development of multiple income streams like Rock Cafe, media resource outlet, letting out rooms.
- (5) Active engagement with the community and our surrounding boroughs.
- (6) Significant growth in attendance of all our services.
- (7) Building and developing relationships with other charities in the United Kingdom and around the world and showing our support through various means.
- (8) Review and reproduce aspects of the HOTR brand and making changes to our online presence.
- (9) Review all events in line with our strategic goals and then agree events based on relevance to HOTR.
- (10) Appointment, training and development of new volunteers in various key roles to improve processes for handling departments and request.

# HOUSE ON THE ROCK

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

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The strategies employed to achieve these objectives were:

- (1) Ongoing monthly strategy meetings with the Senior Management Team on ways to improve operations and commitment.
- (2) Networking with key locals groups within the Borough of Islington and beyond.
- (3) Continuous relationship building through positive influences within the community and partnering with local leaders such as Member of Parliament and the Mayor of London.
- (4) Continuous development of revenue sources, hiring out the venue as a business for weddings, concerts, meetings and making continuous improvements to the media resources and Rock Cafe.
- (5) Securing regular clients for ongoing use of The Rock Tower, i.e hiring premises.
- (6) Monthly prayer and inspirational meetings and interactive sessions held by the Resident Pastor.
- (7) Improving the HOTR brand, online resources and website.
- (8) Having more business process improvements across the organisation.
- (9) Continuous development of our youth club and missions projects.

The trustees have paid due regard to guidance on public benefit issued by the Charity Commission in deciding what activities the charity should undertake.

### **Ministry and outreach departments**

House On The Rock benefits the public by currently providing services through our various ministries which are available to members of the church and our community are:

- Pre-marital counselling and classes
- Bereavement counselling
- Welfare and benevolence support
- Career counselling
- Drop-in counselling
- Hospital visits
- Career advice
- Telephone counselling by one of the dedicated pastors for prayers or general support
- Women's and Men's ministries and events
- Youth and young adults ministries and events
- Singles' ministries and events
- Promoting religious books and CD's and other material through our in house Media Resource Centre.

The trustees are very grateful to the many volunteers who helped by staffing our prayer sessions and religious conference and events.

The charity relies on volunteers in providing a significant human resource in the activities that are run through the year.

During the year, activities carried out solely by volunteer resource included: weekly multimedia production and projection activities, protocol activities, welfare and benevolence support, outreach and evangelism, hospitality (catering for guest to services), children's and teenage church volunteers.

We have approximately 100 volunteers who work in various departments for an average of 5 hours per week.

# HOUSE ON THE ROCK

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

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### Achievements and performance

The charity continued to support families throughout the year with relevant events for the various demographics (children, teenager, singles, men, women and couples).

The Professionals also continued to support businesses and career progression with various seminars and workshops. The workshops had reputable speakers who gave talks about their various careers and then the young people had one on one session regarding their careers.

### Easter activities

As usual the charity embarked on its annual twenty one days fasting period which members were encouraged to be part of from the 28th of March 2022 to Easter Sunday on the 18th of April 2022. Prayers were held daily online. Along with the fasting, the charity raised about 2,000 kg of food that was donated to a local Food Bank.

### Other activities

We continue to hold our family services every Sunday and mid-week services every Wednesday. The Sunday services were held in person with still a sizeable attendance virtually while the Wednesday services continues to be online. We have a volunteer's meeting and prayer session that were held on zoom on Tuesday, Thursday, Saturday and Sunday mornings before the Sunday services.

Youth club - A weekly youth club was held with different activities such as games, cookery, drama, talks and workshops for young people in the community. An annual summer youth club project which ran in August for a month sees youth from the community between the ages of 8-17 years old displaying their talent through various project-based and outdoor activities and tours.

Life Groups - To foster community the small groups continued to grow. They are called Life Groups and hold weekly meetings where they share fellowship.

The Charity ended the year strong with a special end of year thanksgiving service and a Christmas Day service for the community.

### Financial review

The donations received from members for this year has increased by 11.38% from 2021 to 2022 . The charity is gradually recovering from the impact of Covid-19. The attendances number have held steady but the purchasing power of new attendees are less than those that transitioned out.

The cost of governance of the charity equates to 8.64% of the total resources expended for the year.

The net movement in funds shows a deficit of £165,342.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers 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 not been maintained due to the current commitment to service existing debt in order to bring our debts levels to an acceptable level.

The level of reserves available to the charity as at 31 December 2022 was £34,718. These reserves were considered inadequate by the Trustees and the need to continually accumulate additional reserves to ensure that target amount is reached. It is noted that these funds will be required in order to continue to run the charity, service our debt and diversify our income streams.

The charity had no funds in deficit during the year.

# HOUSE ON THE ROCK

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

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The principal funding source for the charity is donations made from members who attended the services of the church and rental income. The charity also received to a smaller extent income from sales of various inspirational and Christian materials which include books, CDs and DVDs.

There is no significant events that will have a financial effect.

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.

A risk register has been established and is updated as and when new risks are identified. There were no new major risks identified during the year.

### **Plans for the future**

To achieve significant increase in church attendance through introducing evangelism and outreach programmes.

Planting new 'home based' (CITY) prayer groups.

Having more fundraising projects for the charity.

Increasing awareness and community involvement in Islington and surrounding areas.

Continued partnership and support of local and International charities and partnerships with other charities and churches.

The charity plans to continue reaching out to the immediate community in the Tufnell Park and the wider Islington borough. Community initiatives are being developed with the intention of rolling them out in the following year.

The charity will provide activities and services to our community that reflect the charity's statement of belief.

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

The charity was originally registered under a Deed of Trust in 1996. The Trustees were advised to incorporate the Trust as a charity and with effect from 8 July 2003, House On The Rock was registered as a charity and a company limited by guarantee with charitable objects.

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 P A Adefarasin

Mr A Oyewumi

Mr A Oluwaleimu

Dr C Ujam

(Resigned 25 July 2022)

None of the trustees/directors has any beneficial interest in the company. All of the trustees/directors are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustees are appointed by way of a vote and recommendation. It is then approved by the board of trustees through a simple majority.

The Trustees are eligible to appoint additional trustees under the terms of the Articles of Association of the company.

# HOUSE ON THE ROCK

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

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A chief executive was appointed by the trustees to manage the day-to-day operation of the charity including decisions making on behalf of the charity. All day-to-day management is then delegated via the chief executive to a senior management team who, between them manage the following departments:

Worship Ministry  
Special Ministry  
Fellowship Ministry  
The Rock Tower Office Operations  
Protocol and Church Relations  
Leadership & Organisational Development  
Outreach & Communities Ministry

The senior management team consists of:

Chief executive - T T Odejide  
Senior manager - S Oyinlola (left 31 January 2023)  
Senior manager - E Abebe (started 13 February 2023)  
Treasurer - A Oyewumi

Members of the senior management team report to the board regularly and are charged with responsibility for particular areas of operation.

The directors consider the board of directors, who are also the trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All directors give their time freely and no director received remuneration in the year. The pay of senior staff is reviewed annually by the directors.

There is no specific restrictions imposed by the governing document concerning the way the charity can operate.

In accordance with the memorandum and articles of association, the trustees/directors have the power to make any investment which they see fit.

There were no connected charities other than House On The Rock in Lagos, Nigeria.

There has been no commitments or guarantees given by the charity.

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



Mr A Oyewumi

Trustee

Dated: 8 September 2023



# HOUSE ON THE ROCK

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### *FOR THE YEAR ENDED 31 DECEMBER 2022*

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The trustees, who are also the directors of House On The Rock 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; 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.

# HOUSE ON THE ROCK

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF HOUSE ON THE ROCK

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#### Opinion

We have audited the financial statements of House On The Rock (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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 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.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

# HOUSE ON THE ROCK

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOUSE ON THE ROCK

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### **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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Based on our understanding of the company and industry in which it operates, we identified the risk of non-compliance with key laws and regulations which included Companies Act 2006 and tax legislation and we considered the extent to which non-compliance might have a material effect in the financial statements.

We also addressed the risk of fraud through management override of controls. We tested the appropriation of journal entries and other adjustments and evaluate whether there was evidence of potential bias. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

In addition to the above, our procedures to respond to the risks identified included the following:

- Reviewing financial statements disclosures by testing to supporting documentation to assess compliance with applicable laws and regulation;
- Enquiry of management, those charged with governance around actual and potential litigations and claims;
- Enquiry of entity staff to identify any instances of non compliance with laws and regulations and fraud;
- Performing analytical procedures to identify any unusual or unexpected relationships that indicate risk of material misstatements due to fraud.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

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

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.

# HOUSE ON THE ROCK

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF HOUSE ON THE ROCK

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**D Lee & Co**

**Chartered Certified Accountants  
Statutory Auditor**



11/9/2023

2nd Floor, Premier House  
309 Ballards Lane  
London  
N12 8LY

D Lee & Co is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# HOUSE ON THE ROCK

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Notes							
<b><u>Income and endowments from:</u></b>							
Donations and legacies	3	422,720	23,785	446,505	374,488	26,386	400,874
Activities for generating fund	4	516	-	516	(677)	-	(677)
Investments	5	107,951	-	107,951	84,014	-	84,014
Other income	6	7,090	-	7,090	-	-	-
<b>Total income</b>		<b>538,277</b>	<b>23,785</b>	<b>562,062</b>	<b>457,825</b>	<b>26,386</b>	<b>484,211</b>
<b><u>Expenditure on:</u></b>							
Raising funds	7	35,219	-	35,219	38,340	-	38,340
Charitable activities	8	652,081	40,104	692,185	558,199	35,241	593,440
<b>Total expenditure</b>		<b>687,300</b>	<b>40,104</b>	<b>727,404</b>	<b>596,539</b>	<b>35,241</b>	<b>631,780</b>
<b>Net expenditure for the year/</b>							
<b>Net movement in funds</b>		<b>(149,023)</b>	<b>(16,319)</b>	<b>(165,342)</b>	<b>(138,714)</b>	<b>(8,855)</b>	<b>(147,569)</b>
Fund balances at 1 January 2022		2,305,381	542,600	2,847,981	2,444,095	551,455	2,995,550
<b>Fund balances at 31 December 2022</b>		<b>2,156,358</b>	<b>526,281</b>	<b>2,682,639</b>	<b>2,305,381</b>	<b>542,600</b>	<b>2,847,981</b>

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.

# HOUSE ON THE ROCK

## BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	12		5,377,452		5,531,757
<b>Current assets</b>					
Debtors	14		7,220		3,099
Cash at bank and in hand			34,718		75,741
			41,938		78,840
<b>Creditors: amounts falling due within one year</b>	16		(768,553)		(685,950)
Net current liabilities			(726,615)		(607,110)
<b>Total assets less current liabilities</b>			4,650,837		4,924,647
<b>Creditors: amounts falling due after more than one year</b>	17		(1,968,198)		(2,076,666)
<b>Net assets</b>			2,682,639		2,847,981
<b>Income funds</b>					
Restricted funds	18		526,281		542,600
Unrestricted funds			2,156,358		2,305,381
			2,682,639		2,847,981

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 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, 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 8 September 2023



Mr A Oyewumi  
Trustee

Company registration number 4824843

# HOUSE ON THE ROCK

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	23		(123,768)		(73,366)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(2,007)		(12,702)	
Investment income received		107,951		84,014	
<b>Net cash generated from investing activities</b>			105,944		71,312
<b>Financing activities</b>					
Repayment of bank loans		(23,199)		22,005	
<b>Net cash (used in)/generated from financing activities</b>			(23,199)		22,005
<b>Net (decrease)/increase in cash and cash equivalents</b>			(41,023)		19,951
Cash and cash equivalents at beginning of year			75,741		55,790
<b>Cash and cash equivalents at end of year</b>			34,718		75,741

# HOUSE ON THE ROCK

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

#### Charity information

House On The Rock is a private company limited by guarantee incorporated in England and Wales. The registered office is The Rock Tower, 49 Tufnell Park Road, London, N7 0PS.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Act 2011, 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)". 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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 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.

These accounts have been prepared on the going concern basis as the trustees will arrange for a bank overdraft facility to cover for short term cash flow requirement, if required.

#### 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 accounts.

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

#### 1.4 Incoming resources

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.

Donations, gift and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

#### 1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.



# HOUSE ON THE ROCK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1 Accounting policies

(Continued)

Resources expended are allocated to the charitable company's principal activity as direct costs where the costs can be identified as being directly related to that activity. All costs that cannot be identified as relating directly to the charitable company's principal activity are categorised as either support costs or governance costs. Any costs that cannot be specifically categorised are allocated in proportions based upon a suitable ratio applicable to the nature of the cost involved.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, finance, governance costs and staff cost.

Governance costs are those incurred in connection with administration of the charity and compliance of constitutional and statutory requirements.

#### 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:

Freehold land and buildings	2% on straight line
Fixtures, fittings & equipment	25% on reducing balance

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 the statement of financial activities.

#### 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.

#### 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.

# HOUSE ON THE ROCK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### **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 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 Fund accounting**

(i) The Charity's unrestricted general fund consists of funds which can be used in accordance with the charitable objects at the discretion of the trustees.

(ii) The Charity's restricted funds are funds that can be used for particular restricted purposes within the objects of the charity. Restriction arise when specified by the donor or when funds are raised for particular restricted purposes.

#### **1.13 Value added tax**

Value added tax incurred for the cost and expenditure of the freehold property has been claimed at fifty seven percent of the residual costs of the property costs.

### 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.

# HOUSE ON THE ROCK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations and gifts	422,720	23,785	446,505	310,116	26,386	336,502
Coronavirus Job Retention Scheme	-	-	-	64,372	-	64,372
	<u>422,720</u>	<u>23,785</u>	<u>446,505</u>	<u>374,488</u>	<u>26,386</u>	<u>400,874</u>

# HOUSE ON THE ROCK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 4 Activities for generating fund

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Non-charitable trading activities	516	(677)

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Rental income	107,933	84,012
Interest receivable	18	2
	107,951	84,014

### 6 Other income

	2022	2021
	£	£
Insurance proceeds	7,090	-

### 7 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Fund raising and publicity cost</u>		
Advertising	35,219	38,340
	35,219	38,340

# HOUSE ON THE ROCK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 8 Charitable activities

	Religious activities 2022 £	Religious activities 2021 £
Staff costs	59,934	57,434
Depreciation and impairment	147,595	147,595
Religious activities	123,982	104,119
	<u>331,511</u>	<u>309,148</u>
Share of support costs (see note 9)	297,832	223,577
Share of governance costs (see note 9)	62,842	60,715
	<u>692,185</u>	<u>593,440</u>
<b>Analysis by fund</b>		
Unrestricted funds	652,081	558,199
Restricted funds	40,104	35,241
	<u>692,185</u>	<u>593,440</u>
<b>For the year ended 31 December 2021</b>		
Unrestricted funds	558,199	
Restricted funds	35,241	
	<u>593,440</u>	

# HOUSE ON THE ROCK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 9 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Staff costs	87,062	51,231	138,293	94,929	49,100	144,029
Depreciation	8,717	-	8,717	10,953	-	10,953
Rates and utilities costs	57,191	-	57,191	32,156	-	32,156
Other indirect cost	3,116	-	3,116	3,383	-	3,383
Bank charges and bank loan interest	104,563	-	104,563	46,674	-	46,674
Travel expenses	2,577	-	2,577	337	-	337
Telephone	3,471	-	3,471	3,613	-	3,613
Insurance	8,699	-	8,699	8,750	-	8,750
Cleaning costs	14,691	-	14,691	15,238	-	15,238
Computer expenses	7,745	-	7,745	7,544	-	7,544
Audit fees	-	4,000	4,000	-	4,000	4,000
Accountancy	-	6,746	6,746	-	7,615	7,615
Legal and professional	-	865	865	-	-	-
	<u>297,832</u>	<u>62,842</u>	<u>360,674</u>	<u>223,577</u>	<u>60,715</u>	<u>284,292</u>
Analysed between						
Charitable activities	<u>297,832</u>	<u>62,842</u>	<u>360,674</u>	<u>223,577</u>	<u>60,715</u>	<u>284,292</u>

Governance costs includes payments to the auditors of £4,000 (2021- £4,000) for audit fees.

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year (2021: £nil).

None of the trustees had any expenses reimbursed or paid for by the charity during the year (2021: £nil).

# HOUSE ON THE ROCK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 11 Employees

##### Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Religious	1	1
Administration	5	5
	<u>6</u>	<u>6</u>

##### Employment costs

	2022 £	2021 £
Wages and salaries	178,876	182,530
Social security costs	14,157	13,883
Other pension costs	5,194	5,050
	<u>198,227</u>	<u>201,463</u>

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

#### 12 Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 January 2022	7,379,754	659,367	8,039,121
Additions	-	2,007	2,007
	<u>7,379,754</u>	<u>661,374</u>	<u>8,041,128</u>
At 31 December 2022	7,379,754	661,374	8,041,128
<b>Depreciation and impairment</b>			
At 1 January 2022	1,880,856	626,508	2,507,364
Depreciation charged in the year	147,595	8,717	156,312
	<u>2,028,451</u>	<u>635,225</u>	<u>2,663,676</u>
At 31 December 2022	2,028,451	635,225	2,663,676
<b>Carrying amount</b>			
At 31 December 2022	<u>5,351,303</u>	<u>26,149</u>	<u>5,377,452</u>
At 31 December 2021	<u>5,498,898</u>	<u>32,859</u>	<u>5,531,757</u>

# HOUSE ON THE ROCK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

<b>13 Financial instruments</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	5,527	3,099
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	2,729,706	2,758,599
<b>14 Debtors</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	1,227	-
Other debtors	4,300	3,099
Prepayments and accrued income	1,693	-
	7,220	3,099
<b>15 Loans and overdrafts</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loans	2,077,150	2,100,349
Payable within one year	108,952	23,683
Payable after one year	1,968,198	2,076,666
Amounts included above which fall due after five years:		
Payable by instalments	1,349,713	1,516,999

The bank loan is secured by a first legal mortgage over the freehold property known as St George's Theatre, 49 Tufnell Park Road, London, London N7 OPS.

The loan is repayable by equal instalment over 20 years and it is renewable every 5 years. The rate of interest is 2% above the base rate. The charity received a capital repayment holiday from April 2020 to July 2022 due to Covid-19.



# HOUSE ON THE ROCK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 16 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	15	108,952	23,683
Other taxation and social security		7,045	4,017
Trade creditors		647,814	651,686
Other creditors		832	2,244
Accruals and deferred income		3,910	4,320
		<u>768,553</u>	<u>685,950</u>

#### 17 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	15	<u>1,968,198</u>	<u>2,076,666</u>

#### 18 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			Movement in funds			
	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 31 December 2022
	£	£	£	£	£	£	£
Land and building	<u>551,455</u>	<u>26,386</u>	<u>(35,241)</u>	<u>542,600</u>	<u>23,785</u>	<u>(40,104)</u>	<u>526,281</u>

The above restricted funds comprises of £522,485 tangible assets in relation to the purchase of property in Tufnell Park Road, London N7 OPS and current assets amounting to £3,796. The available funds will be used predominantly for the renovation of the above property.

#### 19 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:						
Tangible assets	4,854,967	522,485	5,377,452	4,994,787	536,970	5,531,757
Current assets/(liabilities)	(730,411)	3,796	(726,615)	(612,740)	5,630	(607,110)
Long term liabilities	(1,968,198)	-	(1,968,198)	(2,076,666)	-	(2,076,666)
	<u>2,156,358</u>	<u>526,281</u>	<u>2,682,639</u>	<u>2,305,381</u>	<u>542,600</u>	<u>2,847,981</u>

# HOUSE ON THE ROCK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 20 Financial commitments, guarantees and contingent liabilities

There were no financial commitments, guarantees or contingent liabilities at the year end.

### 21 Capital commitments

There were no capital commitments either authorised by the board or contracted for at the balance sheet date.

### 22 Related party transactions

#### Remuneration of key management personnel

	2022 £	2021 £
Aggregate compensation	59,934	57,434

### 23 Cash generated from operations

	2022 £	2021 £
Deficit for the year	(165,342)	(147,569)
Adjustments for:		
Investment income recognised in statement of financial activities	(107,951)	(84,014)
Depreciation and impairment of tangible fixed assets	156,312	158,548
Movements in working capital:		
(Increase)/decrease in debtors	(4,121)	1,153
(Decrease) in creditors	(2,666)	(1,484)
<b>Cash absorbed by operations</b>	<b>(123,768)</b>	<b>(73,366)</b>

### 24 Analysis of changes in net (debt)/funds

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	75,741	(41,023)	34,718
Loans falling due within one year	(23,683)	(85,269)	(108,952)
Loans falling due after more than one year	(2,076,666)	108,468	(1,968,198)
	<b>(2,024,608)</b>	<b>(17,824)</b>	<b>(2,042,432)</b>