

Charity Registration No. 1102481

Company Registration No. 4734031 (England and Wales)

HOPE CHURCH OSWESTRY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

HOPE CHURCH OSWESTRY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	E Bebb J Price B Jenkins	(Appointed 15 July 2020) (Appointed 15 July 2020)
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Secretary	R Elmitt
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Charity number	1102481
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Company number	4734031
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Registered office	Laburnum Drive Oswestry Shropshire United Kingdom SY11 2QR
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Independent examiner	Azets 5 - 7 Beatrice Street Oswestry Shropshire United Kingdom SY11 1QE
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HOPE CHURCH OSWESTRY

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HOPE CHURCH OSWESTRY

TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and financial statements for the year ended 31 March 2021.

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, 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 2016)

Objectives and activities

The Charity's objects are the advancement of the Christian Faith, the provision of a place or places of Worship and the promotion and provision of activities to meet social need, in Oswestry, the surrounding areas and elsewhere.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

Achievements and performance

Hope Church Oswestry faced a severe disruption of its activities and services following the government's social restrictions in response to the Covid pandemic. All physical meetings were stopped and most activities moved online.

Some staff were furloughed and resources were diverted towards contracting a digital and social media manager to enhance the work of the church online through Youtube, Facebook and Instagram.

Regular activities that have continued online through the year, include:

- Sunday Church services
- Prospects group for people with learning disabilities
- Weekly youth group took place online and in person when this was allowed
- 10 small groups met weekly for community and spiritual development
- Fun Club and Rise met physically when restrictions allowed
- Our lunch club transformed itself into a delivery service for the older people

There has continued to be good progress with our plans to construct a new church building in the centre of Oswestry. A building company has been chosen and the final stages of preparation to start construction are taking place. The new community rooms at Marketplace have completed their refurbishment and are now available for church and community use.

The launch of the Compass supported housing project with four residents and a team of volunteers providing support, was challenging given social restrictions but is an exciting expansion of the community work of the Church

We currently employ:

- Pastor/Church Leader (full time)
- Children & Youth Worker (full time)
- Community & Outreach Facilitator (part time)
- Cleaner (part time)

The church has once again been active in supporting other organisations locally including CTOD, Foodbank and the School's Worker Christian Project. The church has also continued to support (financially and in prayer) overseas mission organisations plus a church member who is working overseas.

Our facilities continued to be used by other community and statutory organisations.

Financial review

HOPE CHURCH OSWESTRY

TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2021*

Despite Sunday offerings ceasing – the successful move to more online giving has meant that the church is in a sound financial position, with sufficient funds to be able to meet our current commitments.

The trustees have concluded that an appropriate level of reserves for the Church to hold in its general fund should be £21,500 plus the value of any fixed assets held within the general fund.

The Trustees has 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.

Structure, governance and management

The Charity is a company limited by guarantee.

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:

D Hughes

E Bebb

T Gray

C Jones

Resigned 01.03.20

J Price

Appointed 15.07.20

B Jenkins

Appointed 15.07.20

New Trustees are appointed from the Membership following votes by the board and membership.

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

The Trustee's report was approved by the Board of Trustees.

R Elmitt

B Jenkins

Dated: 31 December 2021

Dated:31 December 2021

HOPE CHURCH OSWESTRY

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF HOPE CHURCH OSWESTRY

I report to the Trustees on my examination of the financial statements of Hope Church Oswestry (the Charity) for the year ended 31 March 2021.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

Azets

5 - 7 Beatrice Street
Oswestry
Shropshire
SY11 1QE
United Kingdom

Dated: 28 January 2022

HOPE CHURCH OSWESTRY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
	Notes					
<u>Income from:</u>						
Donations and legacies	3	111,743	-	137,292	249,035	170,060
Charitable activities	4	-	-	-	-	2,687
Investment income	4	5,313	-	-	5,313	11,664
Other income	4	12,265	-	-	12,265	402
Total income		129,321	-	137,292	266,613	184,813
<u>Expenditure on:</u>						
Raising funds	5	12,909	-	-	12,909	8,908
Charitable activities	6	103,164	-	43,863	147,027	126,820
Total resources expended		116,073	-	43,863	159,936	135,728
Net income for the year/ Net movement in funds		13,248	-	93,429	106,677	49,085
Fund balances at 1 April 2020		191,253	112,038	576,319	879,610	830,525
Fund balances at 31 March 2021		204,501	112,038	669,748	986,287	879,610

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

All income and expenditure derive from continuing activities.

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

HOPE CHURCH OSWESTRY

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	9	536,034		488,592	
Investment properties	10	341,799		300,000	
		<u>877,833</u>		<u>788,592</u>	
Current assets					
Debtors	11	7,573		9,150	
Cash at bank and in hand		107,818		85,364	
		<u>115,391</u>		<u>94,514</u>	
Creditors: amounts falling due within one year	12	<u>(6,937)</u>		<u>(3,496)</u>	
Net current assets			108,454		91,018
Total assets less current liabilities			<u>986,287</u>		<u>879,610</u>
Income funds					
Restricted funds	14	669,748		576,319	
Unrestricted funds - designated		112,038		112,038	
General unrestricted funds		204,501		191,253	
		<u>986,287</u>		<u>879,610</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The director acknowledges her 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 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 31 December 2021

B Jenkins
Trustee

Company Registration No. 4734031

HOPE CHURCH OSWESTRY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Hope Church Oswestry is a private company limited by guarantee incorporated in England and Wales. The registered office is Laburnum Drive, Oswestry, Shropshire, SY11 2QR, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance 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)". The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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.

1.3 Charitable funds

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

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

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

1.4 Income

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

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

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.

HOPE CHURCH OSWESTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 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 property	2% on cost
Fixtures and fittings	25% on cost
Computers	25% on cost

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.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

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.

HOPE CHURCH OSWESTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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.

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 general 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Donations and gifts	111,743	137,292	249,035	170,060
For the year ended 31 March 2020	103,724	66,336		170,060

HOPE CHURCH OSWESTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

	Charitable activities 2021 £	Investment income 2021 £	Other income 2021 £	Total 2021 £	Total 2020 £
Charitable activities income	-	5,313	12,265	17,578	14,753

5 Raising funds

	Unrestricted funds general 2021 £	Total 2020 £
Investment management	12,909	8,908
	12,909	8,908

HOPE CHURCH OSWESTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

6 Charitable activities

	Activities direct 2021 £	Grant funding 2021 £	Support costs 2021 £	Total 2021 £	Total 2020 £
Staff costs	82,701	-	-	82,701	84,126
Depreciation and impairment	-	-	8,652	8,652	4,754
Church running costs	14,536	-	-	14,536	4,796
Mission	-	21,140	-	21,140	15,746
Property running costs	-	-	8,044	8,044	10,531
Telephone	-	-	1,171	1,171	1,812
Printing, postage and stationery	-	-	1,835	1,835	796
Subscriptions	-	-	7,645	7,645	4,004
Sundry expenses	-	-	1,303	1,303	255
	<u>97,237</u>	<u>21,140</u>	<u>28,650</u>	<u>147,027</u>	<u>126,820</u>
	<u>97,237</u>	<u>21,140</u>	<u>28,650</u>	<u>147,027</u>	<u>126,820</u>
Analysis by fund					
Unrestricted funds - general	53,374	21,140	28,650	103,164	123,571
Restricted funds	43,863	-	-	43,863	3,249
	<u>97,237</u>	<u>21,140</u>	<u>28,650</u>	<u>147,027</u>	<u>126,820</u>
For the year ended 31 March 2020					
Unrestricted funds - general	84,127	15,746	23,698		123,571
Restricted funds	3,249	-	-		3,249
	<u>87,376</u>	<u>15,746</u>	<u>23,698</u>		<u>126,820</u>

7 Trustees

One trustee, Mr D Hughes, was remunerated as pastor during the year and received a salary of £40,167 (2020 - £38,287). Mr Hughes was also reimbursed expenses as a result of his employment. He received no reimbursement of expenses for his role as trustee.

No other trustees were reimbursed for expenses during the year (2020 - none).

HOPE CHURCH OSWESTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Employees	4	4
Employment costs	2021 £	2020 £
Wages and salaries	77,115	70,931
Social security costs	1,968	6,122
Other pension costs	2,972	4,243
	82,055	81,296

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

9 Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 April 2020	544,918	6,657	29,199	580,774
Additions	56,095	-	-	56,095
At 31 March 2021	601,013	6,657	29,199	636,869
Depreciation and impairment				
At 1 April 2020	58,202	6,400	27,580	92,182
Depreciation charged in the year	8,162	86	405	8,653
At 31 March 2021	66,364	6,486	27,985	100,835
Carrying amount				
At 31 March 2021	534,649	171	1,214	536,034
At 31 March 2020	486,716	257	1,619	488,592

HOPE CHURCH OSWESTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Investment property

	2021 £
Fair value	
At 1 April 2020	300,000
Additions through external acquisition	41,799
	<hr/>
At 31 March 2021	341,799
	<hr/> <hr/>

Investment property comprises commercial property known as Marketgates, Oswestry.

11 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	4,700	7,362
Prepayments and accrued income	2,873	1,788
	<hr/>	<hr/>
	7,573	9,150
	<hr/> <hr/>	<hr/> <hr/>

12 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Deferred income	13	-	1,096
Other creditors		-	869
Accruals and deferred income		6,937	1,531
		<hr/>	<hr/>
		6,937	3,496
		<hr/> <hr/>	<hr/> <hr/>

13 Deferred income

	2021 £	2020 £
Other deferred income	-	1,096
	<hr/> <hr/>	<hr/> <hr/>

HOPE CHURCH OSWESTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

14 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 April 2019 £	Incoming resources £	Resources expended £	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
Building Fund	503,314	63,205	(1,292)	565,227	93,429	-	658,656
Local Outreach	9,918	3,129	(1,955)	11,092	43,863	(43,863)	11,092
	<u>513,232</u>	<u>66,334</u>	<u>(3,247)</u>	<u>576,319</u>	<u>137,292</u>	<u>(43,863)</u>	<u>669,748</u>

The Building Fund represents funds raised to purchase new premises.

Smaller funds represent those funds raised for ongoing projects run by the church.

HOPE CHURCH OSWESTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Analysis of net assets between funds

	General 2021 £	Designated 2021 £	Restricted 2021 £	Total 2021 £	General 2020 £	Designated 2020 £	Restricted 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:								
Tangible assets	34,784	112,038	389,212	536,034	151,442	112,038	225,112	488,592
Investment properties	-	-	341,799	341,799	-	-	300,000	300,000
Current assets/(liabilities)	169,717	-	(61,263)	108,454	39,811	-	51,207	91,018
	<u>204,501</u>	<u>112,038</u>	<u>669,748</u>	<u>986,287</u>	<u>191,253</u>	<u>112,038</u>	<u>576,319</u>	<u>879,610</u>

HOPE CHURCH OSWESTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2021*

16 Related party transactions

There were no disclosable related party transactions during the year (2020 - loans forwarded by three members in 2019 were repaid by the Charity).