

HOPE CHURCH OSWESTRY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

HOPE CHURCH OSWESTRY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

J Price
B Jenkins
Mrs M E Smith
Mr C W Shaw

(Appointed 16 May 2022)

Charity number

1102481

Independent examiner

Azets
Column House
London Road
Shrewsbury
Shropshire
United Kingdom
SY2 6NN

HOPE CHURCH OSWESTRY

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HOPE CHURCH OSWESTRY

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report and financial statements for the year ended 31 March 2023.

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 Charities Act 2011 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

In July of 2023, Hope Church celebrated the opening of its new church centre in the heart of Oswestry. The new premises will greatly advance the church in its life and mission, providing not only a larger and more accessible space for worship, but also facilities to support the church in its growing engagement with the local community. Alongside its existing rooms, the new premises are also available to hire to local individuals, businesses and community groups.

The Church has moved its office to a unit adjacent to the new church centre in order to be more visible and accessible during the week, and it continues to lease some of its units to local businesses.

Worship services continue weekly on Sunday mornings with increasing numbers of both adults and children in attendance and the church looks forward to welcoming new individuals and families into membership in the near future. The church held a baptism service in July 2023 at which 1 adult and 5 young people were baptised. The church continues to stream its services online through YouTube.

In addition:

- A number of House Groups meet each week at different times and places for friendship, encouragement and to support spiritual growth. This includes Prospects, a group for people with learning difficulties.
- The church runs a monthly prayer meeting
- The church continues its online presence through website, social media and YouTube.
- The church reaches out to the local community, building friendships, offering practical support, and sharing the Christian faith through a number of different activities: Rise, Dorcas, Lunch Club, Sticky Fingers, Alpha, Allsorts, CAP Money Course and more. The church is exploring additional ways of being a positive presence within the community, particularly following the opening of its new premises.
- The church has now closed its Compass project for homeless and vulnerably housed men. While very positive in its impact, it has demanded a high level of input that the church is not able to sustain.
- The church continues to support other organisations locally including CTOD, Foodbank, and the School's Worker Christian Project.
- The church also continues to support (financially and in prayer) overseas mission organisations and church members involved in missions work in the UK and abroad.
- Many church members are involved personally and practically in serving the life and mission of the church through being part of a serving team, for example: preaching, worship, house groups, children's and youth work, leadership, creative, admin, operations, welcome, finance, refreshments and hospitality.
- Church members continue to give generously and pray faithfully in support of the church's mission
- A group of 20 adults and young people went away in Aug 2023 for the Dreaming The Impossible youth camp

HOPE CHURCH OSWESTRY

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The Church currently employs:

- A senior pastor (full-time)
- A children's and youth worker (full-time)
- A cleaner (part time)

The church's part-time Community Outreach Facilitator stepped down from role in Sept 2023.

Financial review

The church has faced considerable expense in regard to the construction and completion of its new church centre. These costs have been met through the generosity of church members and grants from Trust Funds to whom the church has applied to for assistance.

Giving has remained at a strong level, and income is also received through Gift Aid claims, the leasing of the church's units and the hiring out of rooms. Trustees have reintroduced cash giving during services to good effect (this had stopped during the COVID pandemic) and continues to encourage generosity from members in support of the Church's mission.

The church reserves have been significantly drained as the church has met the costs of the new church centre. The trustees have agreed 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 and intend, when possible, for the reserve to be built back up to this amount.

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.

Structure, governance and management

Hope Church Oswestry has converted from a Company Limited by Guarantee to a Charitable Incorporated Organisation (CIO).

The Trustees who served during the year and up to the date of signature of the financial statements were:

J Price

B Jenkins

Mrs M E Smith

Mr C W Shaw

(Appointed 16 May 2022)

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

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

.....
B Jenkins

Date:

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 2023.

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the Charity's financial statements carried out under section 145 of 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.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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

Column House
London Road
Shrewsbury
Shropshire
SY2 6NN
United Kingdom

Dated:

HOPE CHURCH OSWESTRY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
	Notes					
<u>Income and endowments from:</u>						
Donations and legacies	3	107,765	-	226,231	333,996	179,549
Other income	4	-	-	-	-	5,724
Investments	5	20,607	-	-	20,607	16,134
Other income	6	83,093	-	-	83,093	-
Total income		211,465	-	226,231	437,696	201,407
<u>Expenditure on:</u>						
Raising funds	7	17,853	-	-	17,853	15,267
Charitable activities	8	94,481	-	67,459	161,940	128,435
Total resources expended		112,334	-	67,459	179,793	143,702
Net income for the year/ Net movement in funds		99,131	-	158,772	257,903	57,705
Fund balances at 1 April 2022		216,727	112,038	715,228	1,043,993	986,287
Fund balances at 31 March 2023		315,858	112,038	874,000	1,301,896	1,043,992

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

All income and expenditure derive from continuing activities.

HOPE CHURCH OSWESTRY

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	13	1,200,474		577,278	
Investment properties	14	346,951		346,951	
		<u>1,547,425</u>		<u>924,229</u>	
Current assets					
Debtors	15	5,500		7,857	
Cash at bank and in hand		127,819		410,761	
		<u>133,319</u>		<u>418,618</u>	
Creditors: amounts falling due within one year	17	<u>(105,443)</u>		<u>(28,837)</u>	
Net current assets			27,876		389,781
Total assets less current liabilities			1,575,301		1,314,010
Creditors: amounts falling due after more than one year	18		(273,405)		(270,018)
Net assets			<u>1,301,896</u>		<u>1,043,992</u>
Income funds					
Restricted funds	19	874,000		715,228	
Unrestricted funds - designated		112,038		112,038	
General unrestricted funds		315,858		216,726	
		<u>1,301,896</u>		<u>1,043,992</u>	

The financial statements were approved by the Trustees on

.....
B Jenkins
Trustee

HOPE CHURCH OSWESTRY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Hope Church Oswestry is a charitable incorporated organisation registered with the Charity Commission of England and Wales.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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 2023

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 the statement of financial activities.

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 2023

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.

HOPE CHURCH OSWESTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

	Unrestricted funds general 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Donations and gifts	107,765	170,231	277,996	179,549
Grants	-	56,000	56,000	-
	<u>107,765</u>	<u>226,231</u>	<u>333,996</u>	<u>179,549</u>
For the year ended 31 March 2022	<u>92,407</u>	<u>87,142</u>		<u>179,549</u>

4 Charitable activities

	Other income 2023 £	Other income 2022 £
Charitable activities income	-	5,724
	<u>-</u>	<u>5,724</u>

5 Investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Rental income	20,607	16,134
	<u>20,607</u>	<u>16,134</u>

6 Other income

	Unrestricted funds general 2023 £	Total 2022 £
Net gain on disposal of tangible fixed assets	83,093	-
	<u>83,093</u>	<u>-</u>

HOPE CHURCH OSWESTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Raising funds

	Unrestricted funds general 2023 £	Total 2022 £
Investment management	17,853	15,267
	<u>17,853</u>	<u>15,267</u>

8 Charitable activities

	Activities direct 2023 £	Grant funding 2023 £	Support costs 2023 £	Total 2023 £	Total 2022 £
Staff costs	66,586	-	-	66,586	54,497
Depreciation and impairment	-	-	20,647	20,647	8,350
Church running costs	33,815	-	-	33,815	30,474
Mission	-	10,332	-	10,332	12,027
Property running costs	670	-	2,303	2,973	6,486
Telephone	-	-	859	859	699
Printing, postage and stationery	-	-	3,034	3,034	1,175
Subscriptions	-	-	2,590	2,590	4,415
Sundry expenses	-	-	5,505	5,505	6,970
Mortgage interest	15,599	-	-	15,599	3,342
	<u>116,670</u>	<u>10,332</u>	<u>34,938</u>	<u>161,940</u>	<u>128,435</u>
	<u>116,670</u>	<u>10,332</u>	<u>34,938</u>	<u>161,940</u>	<u>128,435</u>
Analysis by fund					
Unrestricted funds - general	70,144	10,332	14,005	94,481	86,773
Restricted funds	46,526	-	20,933	67,459	41,662
	<u>116,670</u>	<u>10,332</u>	<u>34,938</u>	<u>161,940</u>	<u>128,435</u>
For the year ended 31 March 2022					
Unrestricted funds - general	46,651	12,027	28,095		86,773
Restricted funds	41,662	-	-		41,662
	<u>88,313</u>	<u>12,027</u>	<u>28,095</u>		<u>128,435</u>

9 Examination fee

The cost of the Independent Examination for the year is £790

HOPE CHURCH OSWESTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10 Trustees

One trustee, Mr C Shaw was remunerated as pastor during the year and received salary of £31,579 (2022- none). He received no remuneration for his role as trustee.

One trustee, Mr D Hughes, was remunerated as pastor during the previous year and received a salary of £21,908. He received no reimbursement of expenses for his role as trustee.

No other trustees were reimbursed for expenses during the year (2022 - none).

11 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Employees	4	3
	<u> </u>	<u> </u>
Employment costs	2023	2022
	£	£
Wages and salaries	63,393	51,037
Social security costs	-	61
Other pension costs	1,917	2,372
	<u> </u>	<u> </u>
	<u>65,310</u>	<u>53,470</u>

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

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

HOPE CHURCH OSWESTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13 Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 April 2022	650,606	6,657	29,199	686,462
Additions	785,151	-	-	785,151
Disposals	(206,475)	-	-	(206,475)
At 31 March 2023	1,229,282	6,657	29,199	1,265,138
Depreciation and impairment				
At 1 April 2022	74,325	6,571	28,288	109,184
Depreciation charged in the year	20,334	86	228	20,648
Eliminated in respect of disposals	(65,168)	-	-	(65,168)
At 31 March 2023	29,491	6,657	28,516	64,664
Carrying amount				
At 31 March 2023	1,199,791	-	683	1,200,474
At 31 March 2022	576,281	86	911	577,278

14 Investment property

	2023 £
Fair value	
At 1 April 2022 and 31 March 2023	346,951

Investment property comprises commercial property known as Marketgates, Oswestry.

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	4,734	6,767
Prepayments and accrued income	766	1,090
	<u>5,500</u>	<u>7,857</u>

HOPE CHURCH OSWESTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

16 Loans and overdrafts

	2023 £	2022 £
Bank loans	284,164	296,677
Other loans	10,000	-
	<u>294,164</u>	<u>296,677</u>
Payable within one year	20,759	26,659
Payable after one year	<u>273,405</u>	<u>270,018</u>

17 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	16	10,759	26,659
Other borrowings		10,000	-
Other creditors		37,394	-
Accruals and deferred income		47,290	2,178
		<u>105,443</u>	<u>28,837</u>

18 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	16	<u>273,405</u>	<u>270,018</u>

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			Movement in funds			
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
Building Fund	658,656	48,822	(3,342)	704,136	191,791	(35,934)	859,993
Local Outreach	11,092	38,320	(38,320)	11,092	34,440	(31,525)	14,007
	<u>669,748</u>	<u>87,142</u>	<u>(41,662)</u>	<u>715,228</u>	<u>226,231</u>	<u>(67,459)</u>	<u>874,000</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 2023

20 Analysis of net assets between funds

	General 2023 £	Designated 2023 £	Restricted 2023 £	Total 2023 £	General 2022 £	Designated 2022 £	Restricted 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:								
Tangible assets	277,223	112,038	811,213	1,200,474	996	112,038	464,244	577,278
Investment properties	-	-	346,951	346,951	-	-	346,951	346,951
Current assets/(liabilities)	38,635	-	(10,759)	27,876	215,730	-	174,051	389,781
Long term liabilities	-	-	(273,405)	(273,405)	-	-	(270,018)	(270,018)
	<u>315,858</u>	<u>112,038</u>	<u>874,000</u>	<u>1,301,896</u>	<u>216,726</u>	<u>112,038</u>	<u>715,228</u>	<u>1,043,992</u>

HOPE CHURCH OSWESTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2023*

21 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).