

HEXHAM COMMUNITY CHURCH

Accounts – 31st December 2022

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Charitable Incorporated Organisation

Charity number: 1115889

Accounts – 31st December 2022

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HEXHAM COMMUNITY CHURCH

REPORT OF THE TRUSTEES

for the year ended 31st December 2022

The Trustees are pleased to present their annual report and financial statements of the Charitable Incorporated Organisation for the year ended 31st December 2022.

The Financial Statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and complies with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (second edition) (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland FRS 102) issued in October 2019 and Financial Reporting Standard FRS 102.

Reference and Administration Details

The charity's name is Hexham Community Church.

Charity Registration Number: 1115889

Registered and Principal Office: Central Chambers, Beaumont Street, Hexham, NE46 3LS

Trustees

The Trustees and officers who served during the year and since the year end were as follows:

Catherine Judith Minto
Iain Mason
Anne Jennifer Morgan
David Fraser Hume (resigned 18 August 2022)
Jacky Males (appointed 14 November 2022)
Jenny Louise Rumsey

Secretary: Iain Mason

Objectives and Activities

The main objects of the charity are widely drawn, namely to advance the Christian religion and to pursue any other charitable purposes.

The main activity is the provision of a Christian Church and associated activities.

In planning the activities of the charity, the trustees have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion.

The charity's activities of advancement of the Christian faith and associated activities, are available to the people of Hexham and the wider area to make a positive contribution to the local and wider community.

Achievements and Performance

Trustees and charity management:

Hexham Community Church (HCC) has 5 Trustees, taking responsibility for legal, compliance and finance issues, assessing risk and have drawn up policies to minimize this. The Church is a Charitable Incorporated Organisation and has charitable status. HCC is an active member of Hexham Churches Together.

Leadership:

HCC is spiritually led, under God's direction, by a team of Elders who meet with the Trustees regularly. The Church is part of Taking Ground, a group of nine churches based in the Northeast of England.

Pastoral and relational activity - caring for church members:

The impact of the pandemic began to recede over the year, with more of the congregation returning to a regular pattern of attendance at both weekly services and small groups for support and encouragement.

REPORT OF THE TRUSTEES
for the year ended 31st December 2022 (Continued)

Achievements and Performance (continued)

Church Programme:

The cycle of Sunday services introduced in 2021 continued, with Betel of Hexham holding a service one Sunday a month, and Messy Church, (church aimed mainly at families), meeting once per month. The remaining Sundays were used for teaching, worship, and encouragement.

Outward focused activity - reaching out to our communities:

HCC volunteers continue to serve the older members of the community with a weekly lunch club, while adults with additional needs are supported with the bi-weekly My Time! event.

- Several *Alpha* courses (an introduction to the Christian faith) were held over the year, with a number of those who attended coming to faith in Christ and becoming members of HCC
- *Eden Hexham* – The Eden worker appointed in 2021 continued to work in a needy area of the town and became resident in the locality in May 2022.
- *The Community Grocery*, also in the East End of Hexham, continued to provide affordable food and reduced waste, and very popular with local residents, and also with people from further afield. As with Eden, this development is linked to the ministry of the Message Trust.
- *Texan mission to Hexham* – A visit from the young people from Texas was possible after a break due to the pandemic, and a team again worked in local Schools, renewing links with local young people and in the Eden Lounge.

Financial position:

The finances of the Church reflect the faithful commitment of church members, and adequate reserves are held in line with the policy of the Trustees. The Church has also received some grant income from external sources.

Conclusion:

During 2022, HCC continued to achieve its charitable objective of advancing the Christian faith through Sunday services, week-night group activities and missional work, which have all focused on faith in Jesus Christ in the communities where our members live, are educated and work.

The Trustees would like to thank all the Church congregation who have given so freely their time, talents and money to make possible the activities reported above and more that space does not allow us to mention. Without all these contributions Hexham Community Church would be unable to offer so much to the people of Hexham and surrounding areas. The Trustees can confirm that the activities provided are available to and provided for the benefit of everyone, of any or no faith. The Trustees believe the Hexham Community Church charity is continuing to thrive and to fulfil all its charitable objectives.

Financial Review

The total income for the year was £185,953 and total expenditure on charitable activities amounted to £177,012. The balance on unrestricted funds at the year end was £260,903 and on restricted funds £44,836. The main source of income for the year was donations.

Reserves Policy

The balance on unrestricted reserves at the balance sheet date, excluding fixed assets, was £128,552. This represents approximately 12 months of expenditure. The trustees policy is that free reserves should be a minimum of £68,400 which is approximately 6 months of expenditure (£11,400 per month). The level of reserves at the balance sheet date is higher than the minimum and is considered reasonable in view of working capital requirements and the major risks to the Charity. These risks include possible losses in funding and the continuing possibility of significant property and repair costs. Also due to the Covid pandemic ongoing impact on Church life, spending during the year has been significantly curtailed resulting in higher reserves held. Expenditure is expected to increase next year.

REPORT OF THE TRUSTEES
for the year ended 31st December 2022 (Continued)

Structure, Governance and Management

Governing Document

Hexham Community Church is registered as a charity with the Charity Commission. It is a Charitable Incorporated Organisation formed 13th February 2020.

Hexham Community Church was formerly a Company Limited by Guarantee governed by its Memorandum and Articles of Association dated 23rd April 2006. On 13th February 2020 the assets and liabilities of Hexham Community Church were transferred to Hexham Community Church Charitable Incorporated Organisation which continued the activities of the charity.

Appointment of Trustees

The trustees keep the composition of the board under review and will seek to appoint additional members with appropriate skills and expertise should the need arise. Interested parties are given details of the background of the charity in order to make them aware of current activities.

There must be at least three Trustees.

Persons willing to be appointed as Trustees must subscribe to the Statement of Beliefs and be at least 16 years of age.

In selecting individuals for appointment, the Trustees are required to have regard to the skills, knowledge and experience required for the effective administration of the Charity.

Approved by the trustees on 12th September 2023 and signed on its behalf by:

A J Morgan

.....

Trustee

Hexham

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report to the trustees on my examination of the accounts of Hexham Community Church for the year ended 31st December 2022.

Responsibilities and Basis of Report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no material 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 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts to be reached.

A P Williams BSc FCCA
A J Carter & Co
Chartered Accountants

22b High Street
Witney
Oxon
OX28 6RB

14 September 2023

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31st December 2022

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
		£	£	£	£
Income from:					
Donations and grants	3	104,472	59,737	164,209	139,931
Charitable activities	4	974	5,997	6,971	2,139
Other trading activities	5	8,592	5,550	14,142	14,592
Investments	6	631	-	631	25
Total incoming resources		<u>114,669</u>	<u>71,284</u>	<u>185,953</u>	<u>156,687</u>
Expenditure on:					
Charitable activities	7	124,259	52,753	177,012	139,518
Total expenditure		<u>124,259</u>	<u>52,753</u>	<u>177,012</u>	<u>139,518</u>
Net income/(expenditure) and net movement in funds for the year		(9,590)	18,531	8,941	17,169
Transfer between funds		2,231	(2,231)	-	-
Net movement in funds		<u>(7,359)</u>	<u>16,300</u>	<u>8,941</u>	<u>17,169</u>
Reconciliation of funds					
Total funds brought forward		268,262	28,536	296,798	279,629
Total funds carried forward		<u>£260,903</u>	<u>£44,836</u>	<u>£305,739</u>	<u>£296,798</u>

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

All income and expenditure derives from continuing activities.

The notes on pages 7 to 13 form part of these financial statements

BALANCE SHEET
as at 31st December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	<u>132,351</u>	<u>135,176</u>
Total fixed assets		<u>132,351</u>	<u>135,176</u>
Current assets			
Debtors	12	10,697	9,136
Investments	13	115,650	105,018
Cash at bank and in hand		<u>67,804</u>	<u>63,207</u>
Total current assets		194,151	177,361
Liabilities			
Creditors falling due within one year	14	<u>20,763</u>	<u>15,739</u>
Net current assets		<u>173,388</u>	<u>161,622</u>
Total assets less current liabilities		<u>305,739</u>	<u>296,798</u>
Total net assets	15	<u>£305,739</u>	<u>£296,798</u>
The funds of the Charity			
Restricted income funds	16	<u>44,836</u>	<u>28,536</u>
Unrestricted income funds	16	258,541	263,751
Designated income funds	16	<u>2,362</u>	<u>4,511</u>
Total unrestricted funds		<u>260,903</u>	<u>268,262</u>
Total charity funds		<u>£305,739</u>	<u>£296,798</u>

These accounts were approved by the trustees and authorised for issue on 12th September 2023 and are signed on their behalf by:

I Mason

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Trustee

The notes on pages 7 to 13 form part of these financial statements

NOTES TO THE ACCOUNTS
for the year ended 31st December 2022

1. Accounting Policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of Preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (second addition) preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The charity constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

b) Income Recognition Policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions attached to the items of income have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Income received in advance of a specific performance or provision of other specified service is deferred until the criteria for income recognition are met.

c) Donated Services and Facilities

In accordance with the Charities SORP (FRS102) the general time of volunteers is not recognised in the accounts.

d) Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

e) Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for the particular areas of the Charity's work or for specific projects being undertaken by the Charity.

NOTES TO THE ACCOUNTS
for the year ended 31st December 2022 (continued)

f) Expenditure and Irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on Charitable activities includes the cost of running the church and associated projects.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

g) Operating Leases

The Charity classifies the lease of the photocopier as operating leases: the title to the equipment remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

h) Tangible Fixed Assets

Individual fixed assets costing £5,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on the straight line basis as follows:

Asset Category	Annual Rate
Land	No depreciation
Freehold buildings	Over 40 years
Freehold equipment	Over 10 years
Other equipment	Over 3 years

i) Debtors

Trade and other debtors are recognised at the settlement amounts due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

j) Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Creditors and Provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

l) Pensions

The Charity operates a defined contribution scheme, the assets of which are held outside the Charity. The contributions by the Charity in the year are detailed in note 8.

m) Grants

Income from Government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

NOTES TO THE ACCOUNTS
for the year ended 31st December 2022 (continued)

2. Legal Status of the Charity

The charity is a registered Charitable Incorporated Organisation formed 13th February 2020. It took over the charitable activities of Hexham Community Church a Company Limited by Guarantee on this date.

3. Income from donations

	2022	2021
	£	£
Gifts, donations, legacies and grants	142,601	117,750
Tax reclaim	21,608	22,181
	<u>£164,209</u>	<u>£139,931</u>

Of the £164,209 received in 2022 (2021: £139,931) £59,737 was restricted funds (2021: £32,169) and £104,472 (2021: £107,762) unrestricted funds.

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102) the economic contribution of general volunteers is not recognised in the accounts.

4. Income from charitable activities

	2022	2021
	£	£
Events	5,433	1,410
Other income	1,538	729
	<u>£6,971</u>	<u>£2,139</u>

Of the £6,971 received in 2022 (2021: £2,139) £5,997 was restricted funds (2021: £996) and £974 (2021: £1,143) unrestricted funds.

5. Income earned from other trading activity

	2022	2021
	£	£
Rental income	14,142	14,592
	<u>£14,142</u>	<u>£14,592</u>

Of the £14,142 received in 2022 (2021: £14,592) £5,550 was restricted funds (2021: £6,000) and £8,592 (2021: £8,592) unrestricted funds.

6. Investment income

All of the Charity investment income arises from money held in Co-operative bank deposit fund and United Trust Bank Bonds.

NOTES TO THE ACCOUNTS
for the year ended 31st December 2022 (continued)

7. Analysis of expenditure on charitable activities

	Church	2022 Total	2021 Total
	£	£	£
Ministry costs	46,509	46,509	45,213
Community and out reach	41,192	41,192	24,873
External giving	23,613	23,613	16,849
Church Family	4,067	4,067	4,298
Premises costs	29,153	29,153	17,958
Administration costs	29,598	29,598	27,531
Accountancy	2,880	2,880	2,796
Total	£177,012	£177,012	£139,518

Of the £177,012 expenditure in 2022 (2021: £139,518), £124,259 was charged to unrestricted funds (2021: £97,461) and £52,753 to restricted funds (2021: £42,057).

8. Analysis of staff costs and trustee remuneration and expenses

	2022 £	2021 £
Salaries and wages	87,740	77,058
Social security costs	1,889	908
Employer contribution to defined contribution pension scheme	577	377
	£90,206	£78,343

No employees had emoluments in excess of £60,000 (2021: Nil). Pension costs are allocated to activities in proportion to the related staffing costs incurred.

No trustees were remunerated during the year (2021: Nil)

In 2021 the wife of one of the trustees was employed by the charity and received payment during the year relating to their administrative work. This trustee resigned on 10th January 2022.

	2022 £	2021 £
<i>C Meadley (part recharged on to another organisation)</i>		
Salaries and wages	524	9,338
Employers National Insurance	-	122
Employer contribution to defined contribution pension scheme	6	93
	£530	£9,553

They are remunerated in respect of their capacity as stated above.

The Trust considers its key management personnel comprise the trustees and the leaders. The total employment benefits of the key management personnel in the year was £41,710 (2021: £45,873).

One trustee J Rumsey was paid £nil (2021: £39) in the year for cleaning work.

NOTES TO THE ACCOUNTS
for the year ended 31st December 2022 (continued)

9. Staff numbers

The average monthly number of employees during the year was as follows:

	2022 Number	2021 Number
Ministry	1	1
Administration	3	3
Outreach	1	-
	<u>5</u>	<u>4</u>

10. Related party transactions

During the year the trustees, their spouses and key management personnel donated £20,835 to the charity in total (2021: £15,529).

Expenses of £205 were reimbursed to the trustee C Minto and expenses of £57 were reimbursed to the trustee J Males, during the year (2021: Nil).

11. Tangible fixed assets

	Land	Buildings	Equipment	Total
	£	£	£	£
Cost:				
As at 01.01.22	80,000	95,700	20,400	196,100
Additions	-	-	-	-
As at 31.12.22	<u>80,000</u>	<u>95,700</u>	<u>20,400</u>	<u>196,100</u>
Depreciation:				
As at 01.01.22	-	40,525	20,399	60,924
Charge for year	-	2,825	-	2,825
As at 31.12.22	<u>-</u>	<u>43,350</u>	<u>20,399</u>	<u>63,749</u>
Net book value:				
As at 31.12.22	<u>£80,000</u>	<u>£52,350</u>	<u>£1</u>	<u>£132,351</u>
As at 31.12.21	<u>£80,000</u>	<u>£55,175</u>	<u>£1</u>	<u>£135,176</u>

12. Debtors

	2022 £	2021 £
Tax reclaims	5,376	4,393
Prepayments and accrued income	5,051	4,733
Other debtors	270	10
	<u>£10,697</u>	<u>£9,136</u>

NOTES TO THE ACCOUNTS
for the year ended 31st December 2022 (continued)

13. **Current asset investments**

	2022	2021
	£	£
Cash on deposit	115,650	105,018
	<u>£115,650</u>	<u>£105,018</u>

14. **Creditors: amounts falling due within one year**

	2022	2021
	£	£
Trade creditors	4,851	2,896
Accruals and other creditors	14,483	12,107
Taxation and social security costs	1,429	736
	<u>£20,763</u>	<u>£15,739</u>

15. **Analysis of net assets between funds**

Unrestricted funds

	General Fund £	Designated Fund £	Building Fund £	Restricted Funds £	Total £
Tangible fixed assets	-	-	132,351	-	132,351
Cash at bank and in hand	18,956	2,362	-	46,486	67,804
Other net current assets/(liabilities)	107,234	-	-	(1,650)	105,584
Total	<u>£126,190</u>	<u>£2,362</u>	<u>£132,351</u>	<u>£44,836</u>	<u>£305,739</u>

16. **Analysis of charitable funds****Analysis of movements in restricted funds**

	Balance 01.01.2022 £	Incoming resources £	Resources expended £	Transfers £	Funds 31.12.22 £
Leadership	-	4,973	-	3,340	8,313
Eden project	17,809	54,678	(39,295)	-	33,192
Church Family	8,000	1,238	(4,067)	(5,171)	-
Outreach	2,727	10,395	(9,391)	(400)	3,331
Total	<u>£28,536</u>	<u>£71,284</u>	<u>£(52,753)</u>	<u>£(2,231)</u>	<u>£44,836</u>

Name of restricted fund**Description, nature and purposes of the fund**

Restricted giving for redistribution

Funds donated for specific causes which are then redistributed.

Eden project

Funds for support of a local community project.

Church Family

Funds for support of church family activities like children's work, Sunday school etc.

Outreach

Funds for support of outreach, including one off activities and regular events like MyTime etc.

NOTES TO THE ACCOUNTS
for the year ended 31st December 2022 (continued)

Analysis of charitable funds (continued)**Analysis of movements in unrestricted funds**

	Balance 01.01.22 £	Incoming resources £	Resources expended £	Transfers £	Funds 31.12.22 £
General fund	128,575	114,669	(107,533)	(9,521)	126,190
Building fund	135,176	-	(2,825)	-	132,351
<i>Designated Funds</i>					
Agape	3,725	-	(13,684)	11,752	1,793
Outreach	786	-	(217)	-	569
Total	£268,262	£114,669	£(124,259)	£2,231	£260,903

Name of unrestricted fund	Description, nature and purposes of the fund
General fund	The 'free reserves' after allowing for all designated funds.
Building fund	Funds representing the depreciated cost of the fixed assets.
Designated fund - Agape	Designated funds for the support of good causes.
Designated fund - Outreach	Designated funds for the support of Outreach projects.

A transfer has been made to the Agape fund in the year at the Trustees discretion to fund work on good causes.

17. Other financial commitments

The charity signed a lease in September 2020 to rent premises at a cost of £690 per month. As at 31st December 2022 £19,320 remains outstanding.

The charity signed a 5 year lease in July 2019 for the rental of a photocopier at a cost of £158 per quarter. At 31st December 2022 £950 remains outstanding.

18. Pension commitments

The charity operates a defined contribution scheme the assets of which are held separately from those of the charity in an independently administered fund. At the balance sheet date unpaid contributions of £Nil (2021: £Nil) were due to the fund.