

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

FOR

HOPE COMMUNITY CHURCH
(A COMPANY LIMITED BY GUARANTEE)
CHARITY NUMBER 1118923
COMPANY NUMBER 06181631

HOPE COMMUNITY CHURCH

Contents of the Accounts for the year ended 31 March 2021

	<u>Page No.</u>
Company information page	1
Report of the Directors	2
Trustees Annual report	3 - 5
Independent Examiners Report to the Trustees	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Accounts	9 -13

HOPE COMMUNITY CHURCHCompany InformationFor the year ended 31 March 2021

DIRECTORS:

K. Poxon
P.I. Brayshaw
J. Tellwright
S. Rochester
C. Maina
R. Hirschi

REGISTERED OFFICE:

Hope Community Church
Upper Huntbach Street
Hanley
Stoke-on-Trent
Staffordshire
ST1 2BX

REGISTERED NUMBER:

06181631 (England and Wales)

ACCOUNTANTS:

G.E. Shenton & Co Ltd
St. Pauls House
North Street
Newcastle-under-Lyme
Staffordshire
ST5 1AZ

HOPE COMMUNITY CHURCHReport of the Directors for the year ended 31 March 2021

The directors present their report, together with the financial statements for the year ended 31 March 2021.

Results

The Statement of Financial Activities is set out on page 7 and shows the net incoming resources for the period.

Principal activities, Trading Review and Future Developments

The company's principal activity is the provision of help and support to people inside and outside the church community.

The company was incorporated on 23 March 2007.

The result for the year was a deficit of £8,725 (2020: Surplus £27,256) and this has been added to the total reserves carried forward.

The Trustees recognise that Covid had a significant impact on income streams for Hope Community Church, resulting in a loss in this period. This was due to reduced room hires and other revenue streams. However, these have begun to revive in the financial year 2021/22. The Trustees are confident about future sustainability as Covid restriction ease and vaccinations provide a foundation to resuming usual activities.

Directors

The directors of the company during the year were:

Mrs. Karen Poxon
Mr. Philip Ian Brayshaw
Mrs. Janet Tellwright
Mrs. Sasha Rochester
Mrs. C. Maina
Mr. Raphael Hirschi

This report has been prepared in accordance with the provisions of part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 21 October 2021 and signed on its behalf.

MRS. S. ROCHESTER

Director

HOPE COMMUNITY CHURCHTrustees Annual Report for the year ended 31 March 2021**Administration Details**

Address: Hope Community Church, Upper Huntbach Street, Hanley, Stoke-on-Trent, Staffs., ST1 2BX

Hope Community Church is a registered charity with the Charity Commissioners (Registration Number 1118923) and as a company limited by guarantee is governed by its Memorandum and Articles of Association.

Directors/Trustees

Mrs. Karen Poxon
Mr. Philip Ian Brayshaw
Mrs. Janet Tellwright
Mrs. Sasha Rochester
Mrs. Caroline Maina
Mr. Raphael Hirschi

Bankers

Lloyds plc serves the Management Committee as Bankers.

Solicitors

Geldards Solicitors act as solicitors to the Charity and provide advice on charity matters.

Accountants

G.E. Shenton & Co Ltd, Chartered Certified Accountants, St. Pauls House, North Street, Newcastle, Staffs., ST5 1AZ

Charity's Objectives and Activities during the year**Objects and activities**

The objects of the Company are for the benefit of the public:

- a) to advance the Christian faith in accordance with the Statement in such ways and in such parts of the United Kingdom or the world as the directors from time to time may think fit;
- b) to relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind including through the provision of counselling and support in such parts of the United Kingdom or the world as the directors from time to time think fit; and
- c) to advance education in such ways and in such parts of the United Kingdom or the world as the directors from time to time may think fit.

HOPE COMMUNITY CHURCH

Trustees Annual Report for the year ended 31 March 2021

Overview

Throughout this period the Covid-19 pandemic impacted the activities of Hope Community Church as it did all other aspects of society. The Trustees and Leadership Team worked very hard to carry out our vision in the best possible way whilst keeping people safe and respecting changing Government guidance. This involved radical changes to the running of the church.

Having acted very quickly at the end of the previous period to establish online Sunday services, we continued to develop and extend our provision throughout the year.

2020 marked the 75th anniversary of Hope Community Church as a fellowship with Assemblies of God. Although celebrations had to be postponed, we produced an updated history of the church.

The level of commitment at Hope Community Church remains high and the Trustees would like to thank the congregation for their faithfulness over the past difficult year.

During this period there were no changes to the Trustees.

The Trustees had regard to the public benefit when planning the activities of the church.

Below is a summary of the church's activities in furtherance of its objects during the year:

- Weekly Sunday church services for corporate worship, prayer, communion, Bible teaching and encouragement provided in several formats:
 - Live online, also available to watch later.
 - On CD for those without internet access.
 - In person in a Covid-safe way as allowed for by Government restrictions.
- Children's teaching materials provided for families to use at home.
- Ad-hoc youth and children's online meetings and activities.
- Online Bible study meetings.
- Weekly online prayer meetings and prayer email/letter.
- Online "Any Questions" meeting.
- Prayer text message facility.
- Facilities made available for personal prayer in the church building.
- Participation in the 'Thy Kingdom Come' prayer initiative.
- Provision of devotional materials.
- Pastoral support and mentoring.
- Online course on finding your Position.
- Participation in online local inter-denominational services for prayer and for worship.
- Minister's participation in online church leaders' fellowship.
- Minister recorded material for use on UCB and Cross Rhythms Christian radio stations.
- Hope Men and Hope Women online meetings.
- Adapted Foodbank sessions to continue providing emergency food in a Covid-safe way. Delivery service offered for local people self-isolating.
- Regular donations of food to the Stoke-on-Trent Foodbank totalling 711.45 kg.
- Financial donation to Stoke-on-Trent Foodbank.
- Financial donations to: Soul Action in South Africa and Compassion in Burkina Faso.
- Minister chaired the Northwood Residents' Association.
- Low-cost hire of church premises to local charities and adult education and training when permitted in Covid-19 safety guidelines.
- New website

HOPE COMMUNITY CHURCHTrustees Annual Report for the year ended 31 March 2021**Finance**

There was a net deficit for the year of £8,725 compared to a reported surplus of £27,256 for 2020. Total income decreased by £36,521 and total expenditure decreased by £540.

Our overall closing cash position is £7,939 worse than 2020 which is mainly attributable to the decrease in room letting income of £26,293. Net current assets was £46,435 this year compared with £54,103 in 2020.

Reserves policy

The charity has adopted a reserves policy the aim of which is to have reserves of £50,000, which comprises:

- A specific reserve of £35,000 to cover unforeseen emergencies or drop in income. This figure is based on approximately 3 months operating costs with an extra £5000 for emergency maintenance and equipment replacement.
- £15,000 available in the current account to safely cover monthly cash flow.

Use of Reserves

The reserves are held for the following purposes and may be used for them in accordance with the Hope Expenditure Policy:

- operating costs that are not covered by income
- emergency maintenance
- equipment replacement.

Policy Review

This Policy is reviewed annually ready for publishing it with the accounts.

Policy Implementation

A recent increase in Room Hire and other revenue streams had enabled the level of our Reserves to increase and reach £50,000 at the end of the financial year 2019/2020.

However, at the moment we are falling short of our Reserves target,

This is because our regular expenditure versus income has made it impossible to maintain this level of reserve at this time. This was mainly due to the impact of Covid on our income streams and in particular reduced room hires that generate a significant proportion of our current income.

We continue to transfer £100 a month into an account to build up a Specific Reserve.

Further monthly and ad hoc sums will be transferred until the desired target is once again met.

MR. P.I. BRAYSHAW Chair of Trustees

Signed on behalf of the Trustees of Hope Community Church

21 October 2021

HOPE COMMUNITY CHURCHIndependent Examiners Report to the Trustees/Members of Hope Community Church

We report on the accounts of the Company for the ended 31 March 2021 (charity number 1118923) which are set out on pages 7 to 13.

Respective responsibilities of Trustees and Examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under Section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed. The charity's gross income was less than £250,000 but we are qualified to undertake the examination by being a qualified member of the Association of Chartered Certified Accountants.

Having satisfied ourselves that the charity is not subject to audit under company law and is eligible for independent examination, it is our responsibility to:

- examine the accounts under section 145(1)(a) of the Charities Act
- to follow the procedures laid down in the general directions given by the Charity Commission under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to our attention.

Basis of Independent Examiners Report

Our examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiners Statement

In connection with our examination, no matter has come to our attention:

1. which gives us reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act and with the methods and principals of the Statement of Recommended Practice, Accounting and reporting by Charities.

have not been met; or

2. to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

St. Pauls House,
North Street,
NEWCASTLE-UNDER-LYME, Staffs
22 October 2021

G. E. SHENTON & CO LTD
Chartered Certified Accountants

HOPE COMMUNITY CHURCH

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted	Restricted	2021 Total	2020 Total
<u>INCOMING RESOURCES</u>					
Donations	2	£64,285	£2,000	£66,285	£74,042
Charitable activities	3	4,847	-	4,847	33,611
Investment income		<u>8</u>	<u>-</u>	<u>8</u>	<u>8</u>
<u>TOTAL INCOMING RESOURCES</u>		<u>69,140</u>	<u>2,000</u>	<u>71,140</u>	<u>107,661</u>
<u>RESOURCES EXPENDED</u>					
Direct Charitable expenditure	4	74,857	1,014	75,871	76,385
Other expenditure:					
Funding and Publicity	4	1,997	-	1,997	2,010
Management and Administration	4	<u>1,997</u>	<u>-</u>	<u>1,997</u>	<u>2,010</u>
<u>TOTAL RESOURCES EXPENDED</u>		<u>78,851</u>	<u>1,014</u>	<u>79,865</u>	<u>80,405</u>
<u>NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS</u>		(9,711)	986	(8,725)	27,256
GROSS TRANSFERS BETWEEN FUNDS		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET (OUTGOING)/INCOMING RESOURCES BEING ALSO THE NET MOVEMENT IN FUNDS</u>		(9,711)	986	(8,725)	27,256
<u>TOTAL FUNDS BROUGHT FORWARD</u>		<u>297,114</u>	<u>-</u>	<u>297,114</u>	<u>269,858</u>
<u>TOTAL FUNDS CARRIED FORWARD</u>		<u>287,403</u>	<u>986</u>	<u>288,389</u>	<u>297,114</u>

HOPE COMMUNITY CHURCH
BALANCE SHEET AS AT 31 MARCH 2021

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
<u>FIXED ASSETS</u>			
Tangible Fixed Assets	7	£324,931	£329,245
<u>CURRENT ASSETS</u>			
Debtors and prepayments	8	£8,860	£12,413
Cash at bank and in hand	9	<u>44,163</u>	<u>52,102</u>
		<u>53,023</u>	<u>64,515</u>
<u>CREDITORS: Amounts falling due within one year</u>			
Creditors and accruals	10	3,268	7,192
Mortgage	10,12,12	<u>3,320</u>	<u>3,220</u>
		<u>6,588</u>	<u>10,412</u>
<u>NET CURRENT ASSETS</u>		<u>46,435</u>	<u>54,103</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		371,366	383,348
<u>CREDITORS: Amounts falling due after more than one year</u>			
Mortgage	10,11,12	<u>82,977</u>	<u>86,234</u>
<u>NET ASSETS</u>		<u>288,389</u>	<u>297,114</u>
<u>REPRESENTED BY:</u>			
<u>FUNDS AND RESERVES</u>			
Unrestricted funds	13	<u>288,389</u>	<u>297,114</u>

The directors state:

- a. that for the year ended 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies,
- b. that members have not required the company to obtain an audit of its accounts for the year ended 31 March 2021 in accordance with section 476 of the Companies Act 2006, and
- c. that they acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the accounts.

The accounts have been prepared in accordance with the provisions of the Companies Act 2006 relating to small companies.

The company has opted not to file a copy of its Profit and Loss at Companies House in accordance with Section 444 of the Companies Act 2006.

Signed S. ROCHESTER

Director

The accounts were approved by the directors and were authorised by them for issue on 21 October 2021

HOPE COMMUNITY CHURCHNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 20211. ACCOUNTING POLICIES(a) Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts and in accordance with FRS102, the Financial Reporting Standard UK and Republic of Ireland and with the Charities Act 2011.

(b) Grants

Grants are recognised in the Statement of Financial Activities (SOFA) on an accruals basis following the satisfaction of any pre-conditions.

(c) Donations, fundraising and Gifts

Donations, gifts and fund raising are recognised in the accounts on a received basis with the exception of items donated for sale in the charity shop which are only included as income when they are sold and until then are not valued and tax recoverable on gift aid. Gifts in kind are valued at their value to the charity. No value is assigned to donated facilities, nor to items provided for raffle prizes or consumption by users of the church.

(d) Legacies

Legacies are included in the SOFA when the full amount has been received.

(e) Contributions by members and all other income

These are all recognised in the financial statements when receivable.

(f) Expenditure and support costs

Expenditure is recognised on an accruals basis and where incurred on activities falling directly within one cost category is included accordingly. The support costs of the charity which include wages and salaries, premises, telephone, printing, postage, stationery, equipment hire, subscriptions, training and insurance are allocated based on the level of activity. The percentages applied are:

Direct charitable expenditure	95%
Fundraising and publicity	2.5%
Management and administration	2.5%

(g) Capitalisation

Fixed Assets are recorded at cost. Expenditure on leasehold property, fixtures, equipment and office equipment which exceeds £250 and provides a long term benefit is capitalised.

(h) Depreciation and amortisation

Provision for depreciation of fixed assets held for use by the charity is made at annual rates calculated to write down their cost over their useful lives. The rates and bases have been reviewed accordingly this year, based on their expected useful lives. The depreciation rates currently in use are:

Leasehold property	100 years straight line basis
Fixtures and equipment	25 years straight line basis

(i) Taxation

No provision for taxation is included in the accounts as the charity is entitled to exemption from tax afforded by Section 505 of the Income and Corporation Taxes Act 1988.

(j) Debtors

Short term debtors are measured at transaction price, less any impairment losses for bad and doubtful debts.

(k) Creditors

Short term creditors are measured at transaction price. Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

HOPE COMMUNITY CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

(l) Reserves policy

The charity has adopted a reserves policy the aim of which is to have reserves of £50,000, which comprises:

- A specific reserve of £35,000 to cover unforeseen emergencies or drop in income. This figure is based on approximately 3 months operating costs with an extra £5000 for emergency maintenance and equipment replacement.
- £15,000 available in the current account to safely cover monthly cash flow.

Use of Reserves

The reserves are held for the following purposes and may be used for them in accordance with the Hope Expenditure Policy:

- operating costs that are not covered by income
- emergency maintenance
- equipment replacement.

Policy Review

This Policy is reviewed annually ready for publishing it with the accounts.

(m) Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

(n) Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2. DONATIONS AND LEGACIES

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2021 Total</u>	<u>2020 Total</u>
Donations:				
Voluntary income	£54,007	£2,000	£56,007	£61,952
Tax recoverable on Gift Aid	<u>10,278</u>	<u>-</u>	<u>10,278</u>	<u>12,090</u>
	<u>64,285</u>	<u>2,000</u>	<u>66,285</u>	<u>74,042</u>

3. CHARITABLE ACTIVITIES

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2021 Total</u>	<u>2020 Total</u>
Youth work activity	£ -	£ -	£ -	£368
Room lettings	4,837	-	4,837	31,130
Church Development activity	<u>10</u>	<u>-</u>	<u>10</u>	<u>2,113</u>
	<u>4,847</u>	<u>-</u>	<u>4,847</u>	<u>33,611</u>

HOPE COMMUNITY CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

	<u>Staff costs</u>	<u>Depreciation</u>	<u>Other costs</u>	<u>2021 Total</u>	<u>2020 Total</u>
Direct charitable expenditure:					
Unrestricted	£37,628	£4,098	£33,131	£74,857	£75,287
Restricted	-	-	1,014	1,014	1,098
	37,628	4,098	34,145	75,871	76,385
Other expenditure:					
Fundraising and publicity	990	108	899	1,997	2,010
Management and administration	990	108	899	1,997	2,010
	<u>39,608</u>	<u>4,314</u>	<u>35,943</u>	<u>79,865</u>	<u>80,405</u>
				<u>2021</u>	<u>2020</u>
<u>Restricted costs</u>				<u>£1,014</u>	<u>£1,098</u>
Other costs:					
<u>Direct charitable costs</u>					
Mission and outreach donations				£3,468	£2,813
Activities				170	700
				<u>3,638</u>	<u>3,513</u>
<u>Support costs</u>					
Premises				£18,187	£19,248
Printing, postage, stationery and telephone				2,633	2,392
Legal and professional				1,139	1,193
Bank charges				135	234
Mortgage interest				5,913	6,155
Subscription and fees				<u>3,284</u>	<u>3,184</u>
				<u>31,291</u>	<u>32,406</u>
TOTAL				<u>35,943</u>	<u>37,017</u>

5. NET INCOMING RESOURCES FOR THE YEAR

	<u>2021</u>	<u>2020</u>
This is stated after charging:		
Depreciation	<u>£4,314</u>	<u>£4,314</u>

6. STAFF COSTS

	<u>2021</u>	<u>2020</u>
Wages and salaries	£31,443	£32,302
Social security costs	3,126	3,195
Pension costs	<u>5,039</u>	<u>3,577</u>
	<u>39,608</u>	<u>39,074</u>

During the year the charity employed an average of 1 employees (2020: 1). No employees earned more than £60,000 per annum in this or the previous year.

HOPE COMMUNITY CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

7. FIXED ASSETS

	<u>Leasehold property</u>	<u>Furniture and equipment</u>	<u>Total</u>
<u>Cost:</u>			
At 1 April 2020	£345,000	£20,746	£365,746
Additions	-	-	-
At 31 March 2021	<u>345,000</u>	<u>20,746</u>	<u>365,746</u>
<u>Depreciation:</u>			
At 1 April 2020	31,365	5,136	36,501
Charge for the year	<u>3,485</u>	<u>829</u>	<u>4,314</u>
At 31 March 2021	<u>34,850</u>	<u>5,965</u>	<u>40,815</u>
<u>Net book value:</u>			
At 31 March 2020	<u>313,635</u>	<u>15,610</u>	<u>329,245</u>
At 31 March 2021	<u>310,150</u>	<u>14,781</u>	<u>324,931</u>

8. DEBTORS AND PREPAYMENTS

	<u>2021</u>	<u>2020</u>
Debtors	£4,750	£8,393
Prepayments	<u>4,110</u>	<u>4,020</u>
	<u>8,860</u>	<u>12,413</u>

9. CASH AT BANK AND IN HAND

	<u>2021</u>	<u>2020</u>
Lloyds - Current account	£15,886	£25,408
Lloyds - Savings Account	15,041	15,037
Kingdom Savings Account	12,720	11,516
Cash in hand	<u>516</u>	<u>141</u>
	<u>44,163</u>	<u>52,102</u>

10. LIABILITIES - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2021</u>	<u>2020</u>
Trade creditors	£3,268	£7,192
Mortgage account	<u>3,320</u>	<u>3,220</u>
	<u>6,588</u>	<u>10,412</u>

11. LIABILITIES - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>2021</u>	<u>2020</u>
Mortgage account	<u>£82,977</u>	<u>£86,234</u>

HOPE COMMUNITY CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

12. MORTGAGE ACCOUNT

The company has a mortgage secured on the leasehold property. Obligations falling due are as follows:

	<u>2021</u>	<u>2020</u>
Amounts payable with 12 months	<u>£3,320</u>	<u>£3,220</u>
Amounts payable after 12 months but within 5 years	£15,228	£15,012
Amounts falling due for payment after more than 5 years	<u>67,749</u>	<u>71,222</u>
	<u>82,977</u>	<u>86,234</u>

13. ANALYSIS OF NET ASSETS BY FUND

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2021 Total</u>	<u>2020 Total</u>
Fixed assets	£324,931	£ -	£324,931	£329,245
Current assets	<u>(37,528)</u>	<u>986</u>	<u>(36,542)</u>	<u>(32,131)</u>
	<u>287,403</u>	<u>986</u>	<u>288,389</u>	<u>297,114</u>

14. TRANSACTIONS WITH TRUSTEES AND RELATED PARTIES

None of the members or trustees of the charity, with the exception of Mr. P.I. Brayshaw (Senior Minister), were remunerated directly or indirectly during the year ended 31 March 2021 (see Note 7).

15. CONTINGENCIES AND CONTRACTUAL COMMITMENTS

In the opinion of the trustees and members of the company at 31 March 2021 there were no contingent liabilities and no contractual liabilities.

16. OTHER INFORMATION

Hope Community Church is a private company limited by guarantee and incorporated in England (Registered Number 06181631). Its registered office is Upper Huntbach Street, Hanley, Stoke-on-Trent, Staffordshire. ST1 2BX.

17. POST BALANCE SHEET EVENTS

The period of National Lockdown and subsequent restrictions on Places of Worship due to Covid -19 has had a significant impact on the normal operation of Hope Community Church.

The directors are aware that income streams have been adversely affected as a result of Covid-19 but measures have been put in place to adapt activities of the charity to still fulfil its aims.

FILLETED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
HOPE COMMUNITY CHURCH
(A COMPANY LIMITED BY GUARANTEE)
CHARITY NUMBER 1118923

HOPE COMMUNITY CHURCH

Contents of the Filleted Accounts

For the year ended 31 March 2021

	<u>Page No.</u>
Filleted Balance Sheet	1
Notes to the Filleted Accounts	2 - 6

HOPE COMMUNITY CHURCH

COMPANY NO. 06181631

BALANCE SHEET AS AT 31 MARCH 2021

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
<u>FIXED ASSETS</u>			
Tangible Fixed Assets	7	£324,931	£329,245
<u>CURRENT ASSETS</u>			
Debtors and prepayments	8	£8,860	£12,413
Cash at bank and in hand	9	<u>44,163</u>	<u>52,102</u>
		<u>53,023</u>	<u>64,515</u>
<u>CREDITORS: Amounts falling due within one year</u>			
Creditors and accruals	10	3,268	7,192
Mortgage	10,12,12	<u>3,320</u>	<u>3,220</u>
		<u>6,588</u>	<u>10,412</u>
<u>NET CURRENT ASSETS</u>		<u>46,435</u>	<u>54,103</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		371,366	383,348
<u>CREDITORS: Amounts falling due after more than one year</u>			
Mortgage	10,11,12	<u>82,977</u>	<u>86,234</u>
<u>NET ASSETS</u>		<u>288,389</u>	<u>297,114</u>
<u>REPRESENTED BY:</u>			
<u>FUNDS AND RESERVES</u>			
Unrestricted funds	13	<u>288,389</u>	<u>297,114</u>

The directors state:

- that for the year ended 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies,
- that members have not required the company to obtain an audit of its accounts for the year ended 31 March 2021 in accordance with section 476 of the Companies Act 2006, and
- that they acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the accounts.

The accounts have been prepared in accordance with the provisions of the Companies Act 2006 relating to small companies.

The company has opted not to file a copy of its Profit and Loss at Companies House in accordance with Section 444 of the Companies Act 2006.

Signed S. ROCHESTER

Director

The accounts were approved by the directors and were authorised by them for issue on 21 October 2021

HOPE COMMUNITY CHURCH

NOTES TO THE FILLETED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

- (a) Basis of accounting
These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts and in accordance with FRS102, the Financial Reporting Standard UK and Republic of Ireland and with the Charities Act 2011.
- (b) Grants
Grants are recognised in the Statement of Financial Activities (SOFA) on an accruals basis following the satisfaction of any pre-conditions.
- (c) Donations, fundraising and Gifts
Donations, gifts and fund raising are recognised in the accounts on a received basis with the exception of items donated for sale in the charity shop which are only included as income when they are sold and until then are not valued and tax recoverable on gift aid. Gifts in kind are valued at their value to the charity. No value is assigned to donated facilities, nor to items provided for raffle prizes or consumption by users of the church.
- (d) Legacies
Legacies are included in the SOFA when the full amount has been received.
- (e) Contributions by members and all other income
These are all recognised in the financial statements when receivable.
- (f) Expenditure and support costs
Expenditure is recognised on an accruals basis and where incurred on activities falling directly within one cost category is included accordingly. The support costs of the charity which include wages and salaries, premises, telephone, printing, postage, stationery, equipment hire, subscriptions, training and insurance are allocated based on the level of activity. The percentages applied are:
- | | |
|-------------------------------|------|
| Direct charitable expenditure | 95% |
| Fundraising and publicity | 2.5% |
| Management and administration | 2.5% |
- (g) Capitalisation
Fixed Assets are recorded at cost. Expenditure on leasehold property, fixtures, equipment and office equipment which exceeds £250 and provides a long term benefit is capitalised.
- (h) Depreciation and amortisation
Provision for depreciation of fixed assets held for use by the charity is made at annual rates calculated to write down their cost over their useful lives. The rates and bases have been reviewed accordingly this year, based on their expected useful lives. The depreciation rates currently in use are:
- | | |
|------------------------|-------------------------------|
| Leasehold property | 100 years straight line basis |
| Fixtures and equipment | 25 years straight line basis |
- (i) Taxation
No provision for taxation is included in the accounts as the charity is entitled to exemption from tax afforded by Section 505 of the Income and Corporation Taxes Act 1988.
- (j) Debtors
Short term debtors are measured at transaction price, less any impairment losses for bad and doubtful debts.
- (k) Creditors
Short term creditors are measured at transaction price. Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

HOPE COMMUNITY CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

(l) Reserves policy

The charity has adopted a reserves policy the aim of which is to have reserves of £50,000, which comprises:

- A specific reserve of £35,000 to cover unforeseen emergencies or drop in income. This figure is based on approximately 3 months operating costs with an extra £5000 for emergency maintenance and equipment replacement.
- £15,000 available in the current account to safely cover monthly cash flow.

Use of Reserves

The reserves are held for the following purposes and may be used for them in accordance with the Hope Expenditure Policy:

- operating costs that are not covered by income
- emergency maintenance
- equipment replacement.

Policy Review

This Policy is reviewed annually ready for publishing it with the accounts.

(m) Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

(n) Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2. DONATIONS AND LEGACIES

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2021 Total</u>	<u>2020 Total</u>
Donations:				
Voluntary income	£54,007	£2,000	£56,007	£61,952
Tax recoverable on Gift Aid	<u>10,278</u>	<u>-</u>	<u>10,278</u>	<u>12,090</u>
	<u>64,285</u>	<u>2,000</u>	<u>66,285</u>	<u>74,042</u>

3. CHARITABLE ACTIVITIES

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2021 Total</u>	<u>2020 Total</u>
Youth work activity	£ -	£ -	£ -	£368
Room lettings	4,837	-	4,837	31,130
Church Development activity	<u>10</u>	<u>-</u>	<u>10</u>	<u>2,113</u>
	<u>4,847</u>	<u>-</u>	<u>4,847</u>	<u>33,611</u>

HOPE COMMUNITY CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

	<u>Staff costs</u>	<u>Depreciation</u>	<u>Other costs</u>	<u>2021 Total</u>	<u>2020 Total</u>
Direct charitable expenditure:					
Unrestricted	£37,628	£4,098	£33,131	£74,857	£75,287
Restricted	-	-	1,014	1,014	1,098
	37,628	4,098	34,145	75,871	76,385
Other expenditure:					
Fundraising and publicity	990	108	899	1,997	2,010
Management and administration	990	108	899	1,997	2,010
	<u>39,608</u>	<u>4,314</u>	<u>35,943</u>	<u>79,865</u>	<u>80,405</u>

	<u>2021</u>	<u>2020</u>
<u>Restricted costs</u>	<u>£1,014</u>	<u>£1,098</u>

Other costs:

<u>Direct charitable costs</u>		
Mission and outreach donations	£3,468	£2,813
Activities	170	700
	<u>3,638</u>	<u>3,513</u>

<u>Support costs</u>		
Premises	£18,187	£19,248
Printing, postage, stationery and telephone	2,633	2,392
Legal and professional	1,139	1,193
Bank charges	135	234
Mortgage interest	5,913	6,155
Subscription and fees	<u>3,284</u>	<u>3,184</u>
	<u>31,291</u>	<u>32,406</u>
TOTAL	<u>35,943</u>	<u>37,017</u>

5. NET INCOMING RESOURCES FOR THE YEAR

	<u>2021</u>	<u>2020</u>
This is stated after charging:		
Depreciation	<u>£4,314</u>	<u>£4,314</u>

6. STAFF COSTS

	<u>2021</u>	<u>2020</u>
Wages and salaries	£31,443	£32,302
Social security costs	3,126	3,195
Pension costs	<u>5,039</u>	<u>3,577</u>
	<u>39,608</u>	<u>39,074</u>

During the year the charity employed an average of 1 employees (2020: 1). No employees earned more than £60,000 per annum in this or the previous year.

HOPE COMMUNITY CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

7. FIXED ASSETS

	<u>Leasehold property</u>	<u>Furniture and equipment</u>	<u>Total</u>
<u>Cost:</u>			
At 1 April 2020	£345,000	£20,746	£365,746
Additions	-	-	-
At 31 March 2021	<u>345,000</u>	<u>20,746</u>	<u>365,746</u>
<u>Depreciation:</u>			
At 1 April 2020	31,365	5,136	36,501
Charge for the year	<u>3,485</u>	<u>829</u>	<u>4,314</u>
At 31 March 2021	<u>34,850</u>	<u>5,965</u>	<u>40,815</u>
<u>Net book value:</u>			
At 31 March 2020	<u>313,635</u>	<u>15,610</u>	<u>329,245</u>
At 31 March 2021	<u>310,150</u>	<u>14,781</u>	<u>324,931</u>

8. DEBTORS AND PREPAYMENTS

	<u>2021</u>	<u>2020</u>
Debtors	£4,750	£8,393
Prepayments	<u>4,110</u>	<u>4,020</u>
	<u>8,860</u>	<u>12,413</u>

9. CASH AT BANK AND IN HAND

	<u>2021</u>	<u>2020</u>
Lloyds - Current account	£15,886	£25,408
Lloyds - Savings Account	15,041	15,037
Kingdom Savings Account	12,720	11,516
Cash in hand	<u>516</u>	<u>141</u>
	<u>44,163</u>	<u>52,102</u>

10. LIABILITIES - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2021</u>	<u>2020</u>
Trade creditors	£3,268	£7,192
Mortgage account	<u>3,320</u>	<u>3,220</u>
	<u>6,588</u>	<u>10,412</u>

11. LIABILITIES - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>2021</u>	<u>2020</u>
Mortgage account	<u>£82,977</u>	<u>£86,234</u>

HOPE COMMUNITY CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

12. MORTGAGE ACCOUNT

The company has a mortgage secured on the leasehold property. Obligations falling due are as follows:

	<u>2021</u>	<u>2020</u>
Amounts payable with 12 months	<u>£3,320</u>	<u>£3,220</u>
Amounts payable after 12 months but within 5 years	£15,228	£15,012
Amounts falling due for payment after more than 5 years	<u>67,749</u>	<u>71,222</u>
	<u>82,977</u>	<u>86,234</u>

13. ANALYSIS OF NET ASSETS BY FUND

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2021 Total</u>	<u>2020 Total</u>
Fixed assets	£324,931	£ -	£324,931	£329,245
Current assets	<u>(37,528)</u>	<u>986</u>	<u>(36,542)</u>	<u>(32,131)</u>
	<u>287,403</u>	<u>986</u>	<u>288,389</u>	<u>297,114</u>

14. TRANSACTIONS WITH TRUSTEES AND RELATED PARTIES

None of the members or trustees of the charity, with the exception of Mr. P.I. Brayshaw (Senior Minister), were remunerated directly or indirectly during the year ended 31 March 2021 (see Note 7).

15. CONTINGENCIES AND CONTRACTUAL COMMITMENTS

In the opinion of the trustees and members of the company at 31 March 2021 there were no contingent liabilities and no contractual liabilities.

16. OTHER INFORMATION

Hope Community Church is a private company limited by guarantee and incorporated in England (Registered Number 06181631). Its registered office is Upper Huntbach Street, Hanley, Stoke-on-Trent, Staffordshire. ST1 2BX.

17. POST BALANCE SHEET EVENTS

The period of National Lockdown and subsequent restrictions on Places of Worship due to Covid -19 has had a significant impact on the normal operation of Hope Community Church.

The directors are aware that income streams have been adversely affected as a result of Covid-19 but measures have been put in place to adapt activities of the charity to still fulfil its aims.