

Registered Charity
Number 1120852

SKT NIKOLAJ DANISH SEAMEN'S CHURCH IN HULL

FINANCIAL STATEMENTS

Year ended

31 DECEMBER 2020

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For the year ended 31 December 2020**

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**Report of the Board of Trustees
For the year ended 31 December 2020**

The Trustees present their report with the financial statements of the Charity for the year ended 31 December 2020.

Reference and Administrative Details of the Charity, its Trustees and Advisers

<u>Name of charity:</u>	Skt Nikolaj Danish Seamen's Church
<u>Charity Registration Number:</u>	1120852
<u>Principal Operating Address:</u>	104 Osborne Street Hull HU1 2PN

Trustees:

Names of Trustees who served during the year and since the year end were as follows:

Hanne Hamilton
Dorthe Hostick
Merethe Walgate
Anette Gould
Suzanne Gilbert
Paul Towle
Graham Gilbert
Aase Somerscale – Treasurer, resigned March 2020
Peter Aarosin

<u>Independent Examiner:</u>	Sian Broughton ACMA, CGMA, DChA, MAAT Phoenix Accountancy and Business Consultancy Limited Morley's Cottage Morley's Yard Walkergate Beverley East Yorkshire HU17 9BY
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**Report of the Board of Trustees
For the year ended 31 December 2020**

Bankers:

NatWest
34 King Edward Street
Hull
HU1 3SS

HSBC Bank Plc
63 Market Place
Beverley
East Yorkshire
HU17 8AL

Investments:

BNY Mellon Fund Managers Ltd
Client Service Centre
PO Box 366
Darlington
DL1 9RF

Structure, Governance and Management

Governing Document:

Skt Nickolaj Danish Seamens Church is a registered charity governed by its Constitution adopted on 6 June 2006 and amended on 11 July 2007. Skt Nickolaj Danish Seamen's Church registered as a charity on 14 September 2007.

The first Skt Nickolaj Church was purchased in 1869 and was the old chapel 'Bethesda' in Osborne Street.

In 1871, on May 9th, a new church was consecrated. During the first World War the Sailors were forbidden to go ashore, so the church had to come to the Sailors.

On May 9th 1941 the church suffered a direct hit by bombs, as did the majority of Hull. On May 9th 1954 a new Skt Nickolaj Danish Seamen's Church was consecrated. This new church was built on Osborne Street and is the one still used today.

Report of the Board of Trustees For the year ended 31 December 2020

Recruitment and appointment of Trustees

The Trustees form the Church Council of the charity. The members of the Church Council are elected at the Annual General Meeting. Nominations for membership of the Church Council must be received by the Secretary 14 days before the date of the Annual General Meeting. The Constitution requires the Church Council to be comprised of:

- 1) Not less than 5 ordinary members, elected at the Annual General Meeting
- 2) The Church's Pastor
- 3) A nominee of DSUK

3 of the elected members of the Church Council must retire each year in rotation but may be re-elected.

Four Trustees are required to make a quorum.

A meeting of the Church Council is empowered to take decisions, when it has convened by 7 days written notice and not less than one half of its numbers are present.

Organisational Structure:

Skt Nickolaj Danish Seamens Church is managed by the Church Council who meet regularly and are responsible for the proper use of the Church and other property and premises that belong to the Church, the strategic direction and policy of the charity.

Risk Management:

Procedures are in place to ensure compliance with health and safety of staff, volunteers, service users and visitors to the Centre.

All procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Objectives and Activities for Public Benefit

As set out in the Memorandum of Association, the Charity's objects are to preach the Christian Gospel, to hold Divine services and to conduct Church rites and ceremonies in Danish according to the rules of the Danish National Church.

**Report of the Board of Trustees
For the year ended 31 December 2020**Main objectives for the following year:

In developing the main objectives for the following year the Trustees have given regard to the Charity Commission guidance on public benefit.

Our main objectives for the following year are:

- 1) To transfer all assets and liabilities to the new Charitable Incorporated Organisation.
- 2) Following the withdrawal of the pastoral support previously provided by the Danske Soemands og Udlandskirker (DSUK) the Church has developed plans to preserve its capacity to provide for divine services according to the traditions of the Danish Church. In the first two years DSUK is committed to make a pastor regularly available and the Church is using this period to implement a business plan that will give it the means to fund its own future pastoral provision.

Achievements and PerformanceReview of Activities 2020

The Skt Nikolaj Danish Church in Hull began the year by progressing the changes entailed by the withdrawal of fulltime pastoral support. This process was focussed on using the management resource in the newly formed CIO to develop and implement plans that would ensure the longer- term financial sustainability of the church organisation as a whole and to provide for day-to-day management of the church and its buildings. Good early progress had been made but was disrupted in March by the onset of the Covid-19 epidemic. Activities to develop the wider use of the Church's accommodation were suspended and the Church's associated CIO was forced initially to make full use of the Government's furlough scheme to facilitate retention of the Church Manager.

As well as delaying the development of new income sources the Covid-19 pandemic also interfered with traditional income-raising activities such as the Christmas Market. The manager was nevertheless able to operate a limited Christmas Market online and church members continued to make important individual financial contributions. Gross income also benefitted from an increase in income from the church's two residential flats though this was substantially offset by planned one-off repair and maintenance costs.

Despite the pandemic and with the help of temporary pastoral support from DSUK the Church was able to hold three services during the year. A New Year's service was held on January 5th, harvest was marked on October 5th and the congregation was also able to celebrate Christmas by Zoom on 20th December. Social activities though limited were also well-supported.

**Report of the Board of Trustees
For the year ended 31 December 2020****Financial Review**

The coronavirus and the Government's associated containment measures had a dramatic and negative impact on the Church's traditional sources of income as well as significantly curtailing efforts to improve income. The traditional Christmas market was the main casualty and while the account benefitted from the renting of the vacated, pastor's, flat there was, inevitably, little income from the hiring of other church accommodation. At the same time operating costs were relatively well-contained so that there was a modest net cash inflow overall. This enabled the church to transfer sufficient funds to cover a potential deficit in the CIO whilst avoiding any immediate call on balances in the savings and investment accounts.

The plan to transfer the church's assets into the new CIO was frustrated by continuing delays in securing full operability of the CIO's bank account. These problems should be overcome during the next financial year. In the meantime, accounts both for this entity and the new CIO will continue to be produced separately and should be read together to provide a full picture of the Church's ongoing financial position. During 2020, the costs of the new CIO were fully covered by contributions from the Government's Job Retention Scheme and a qualifying charitable transfer from the Church of £9,375

Reserves Policy

It is the general policy of the charity to maintain unrestricted funds, which are the free reserves of the charity. Any surplus will be retained in the unrestricted fund to support future running costs.

Plans for Future periods

- 1) To complete the delayed transfer of all assets and liabilities to the new Charitable Incorporated Organisation.
- 2) To sustain the Church's capacity to provide for divine services according to the traditions of the Danish Church.

This will continue to be supported by the DSUK for a further year. Thereafter it is intended that the church will fund its own pastoral provision as well as developing cultural activities designed to forge a link between the Church and the wider community.

**Report of the Board of Trustees
For the year ended 31 December 2020****Plans for Future periods (continued)****3) Progress the implementation of the business plan agreed in 2019**

As noted above, the covid-19 pandemic has significantly interfered with the Church's plan to achieve financial sustainability. Some important progress has been made however and the underlying plan remains intact. Assuming continuing abatement of the covid-19 control measures, we will resume the full range of activities aimed at raising income and achieving breakeven within two years. In the interim, any emerging deficits can be more than adequately covered from existing reserves. In developing its plans, the Church will seek to ensure that the commitment to securing additional income is complementary to the Church's primary objective of serving the needs of its congregation whilst promoting and sustaining awareness and understanding of Scandinavian religious and cultural traditions.

Trustees Responsibilities

The Charities Act requires the trustees to prepare financial statements for each financial year. In accordance with the Charity Commission Guidance the Trustees have elected to prepare the accounts on the Receipts and Payments basis. This is an acceptable format for all non-company charities with an income below £250,000.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to Independent Examiner

The Charity has an income between £25,000 and £1m and therefore falls under the Independent Examination regime. We, the Trustees of the Charity who held office at the date of approval of these financial statements, each confirm so far as we are aware, that:

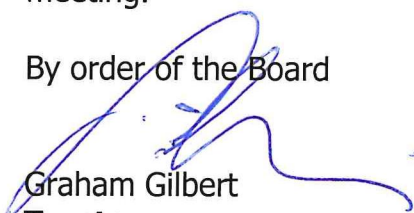
- ⚙ there is no relevant information of which the Charity's Independent Examiner is unaware; and
- ⚙ we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant information and to establish that the Charity's Independent Examiner is aware of that information.

**Report of the Board of Trustees
For the year ended 31 December 2020**

Independent Examiner

A resolution to reappoint Independent Examiner, Sian Broughton of Phoenix Accountancy and Business Consultancy Limited will be proposed at the forthcoming annual general meeting.

By order of the Board



Graham Gilbert
Trustee

Date:

3/6/21

**Independent Examiner's Report to the Members of
Skt Nikolaj Danish Seamen's Church in Hull**

I report on the accounts of Skt Nikolaj Danish Seamen's Church in Hull for the year ended 31 December 2020, which are set out on pages 11 to 13.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this period under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- to follow the procedures laid down in the General Directions given by the Charity Commissioners under section 145 (5)(b) of the Charities Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My 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 the 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 examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention (other than that disclosed below *) in connection with the examination which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 130 of the Act or
- the accounts do not accord with the accounting records

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



Sian Broughton ACMA, CGMA, DChA, MAAT

Chartered Management Accountant
Director of Phoenix Accountancy and Business Consultancy Limited
Morley's Cottage, Morley's Yard
Walkergate, Beverley, HU17 9BY

Date: 07 June 2021

Receipts and Payments Account
For the year ended 31 December 2020

	Notes	2020	2019
		Total Funds	Total Funds
RECEIPTS	1 & 2	£	£
Sales		1,338	2,919
Parking		1,543	3,987
Language Schools		307	59
Church Services – Other		-	-
Christmas Market		7,090	24,987
Room Hire		1,592	800
Donations		503	1,319
Interest Received		66	150
Flat Rent		16,867	7,675
Sundry		95	150
DCF Subscriptions		125	315
DCF Donations		400	727
DCF Other Income		479	1,493
		30,405	44,581
PAYMENTS			
Purchases		149	1,399
Christmas Market		4,914	19,038
DCF Event Costs		259	1,832
Rent and Rates		437	979
Heat Light and Power		5,122	6,234
Motoring		-	32
Travelling and Entertainment	4	93	1,072
Telephones, Printing and Stationery		1,844	2,749
Accounts Fees		400	400
Insurance		525	513
Maintenance		7,196	14,880
Bank Charges Card Sales		1,060	915
Costs in relation to rental premises		2,638	1,675
General Expenses		141	1,427
DCF Other Costs		-	-
		24,778	53,145
Net Surplus/(Deficit) for the period		5,627	(8,564)
Cash & Bank Balances brought forward		103,430	121,221
Transfer to Skt. Nickolaj Danish Church CIO	5	(9,375)	(9,227)
Cash and Bank Balances carried forward		99,682	103,430

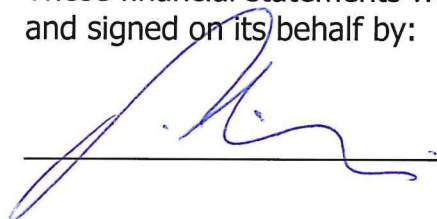
The notes on page 13 form part of these financial statements.

Statement of Assets and Liabilities

As at 31 December 2020

	Notes	2020 £	2019 £
Monetary Assets			
NatWest Current Account		11,308	15,867
NatWest Account D/R (*842)		75,304	75,238
Cash and Floats		100	100
DCSF Current Account		7,934	7,419
DCSF Business Money Manager Account		4,508	4,504
DCSF Cash		528	302
Total Monetary Assets		99,682	103,430
Comprising:			
Unrestricted Funds		99,682	103,430
Restricted Funds		-	-
		99,682	103,430
Non Monetary Assets and Liabilities			
Fixed Assets for the Charity's use (at cost unless otherwise stated)			
Investments (At market value)		33,578	33,065
Office Equipment		380	380
Fixtures and Fittings		1,413	1,413
Other Equipment		515	515
		35,886	35,373
Debtors			
Sundry Debtors		-	-
Creditors			
Accounts Fee		(400)	(400)
Homelink		-	(638)
		(400)	(1,038)

These financial statements were approved by the committee on 3/6/21 (date)
and signed on its behalf by:



Graham Gilbert, Chairperson

The notes on pages 13 form part of these financial statements.

**Notes to the Financial Statements
For the year ended 31 December 2020****Notes****1 Basis of Preparation**

These accounts have been prepared on a receipts and payments (R&P) basis in line with charity commission guidance for a charity of this size.

The comparative figures relate to the year ending 31 December 2019.

2 Fund Accounting

All income and expenditure is unrestricted.

3 Taxation

Skt. Nickolaj Danish Seamen's Church is a registered charity, registration number 1120852. All the Charities' income is applied to its charitable objectives and the association is therefore exempt under current legislation from most forms of taxation.

4 Trustee Remuneration

No Remuneration was paid to Trustees during the year out of the funds of the charity.

There was reimbursement of travel expenses amounting to £93 to 1 Trustees (2019: £1,072 to 2 Trustee) in respect of the year.

The withdrawal of pastoral support previously provided by the Danske Soemands og Udlandskirker (DSUK) has meant that during the year the flat that was previously provided to the Pastor, who was a Trustee, at nil cost was no longer required and therefore has been let out on a commercial basis. In 2019, One Trustee was provided living accommodation and utilities by the Charity at nil cost

5 Transfer to Skt. Nickolaj Danish Church CIO

The charity is still in the process of finalising the transfer to the Charitable Incorporated Organisation (CIO) (charity no: 1185236), however this has been further delayed due to the Covid-19 pandemic. All receipts and payments on behalf of the CIO have been recorded as a transfer to the CIO and will be accounted for by the CIO. It is anticipated that all assets and liabilities will be transferred in the next accounting period.