

Registered charity number
1121781

Registered company number
06176161

The Grace Church Hackney Trust
(A company limited by guarantee)

Trustees' Report and Financial Statements

For the year ended 31 March 2023

The Grace Church Hackney Trust
Report and Financial Statements
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**The Grace Church Hackney Trust
Trustees' Report
Year ended 31 March 2023**

The Trustees present the report and financial statements of The Grace Church Hackney Trust for the year ended 31 March 2023.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, including the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005).

Objectives and activities

Charitable Objectives

The Charity's Objectives, as set out in its governing documents, are the advancement of the Christian faith, as defined in clause 9.1 of the Articles of Association, in the Hackney area and adjacent boroughs, including the City of London and beyond, in particular but not exclusively by support, deployment and training of Christian ministers and workers committed to the proclamation and teaching of the word of God and testimony of Jesus Christ as set forth in scripture, and the provision of other resources for Christian ministry.

Review of Achievements and Performance for the Year

A significant change is that Grace Church Hackney left the trust at the end of March 2022. This was so they could have more freedom and flexibility. It will make finances much simpler as each church would have their own bank accounting and book keeping rather than those being combined. In addition being an independent trust will allow them to set up their governance arrangements having trustees who are 'closer' to the ministry of the church rather than an independent trusteeship who oversee both churches.

Given that, during the last year, the Trust only provided staff and operational support for the work of St Barnabas Dalston (SBD). Staffing provided by the Trust includes a part-time Children and Families Worker and a part-time Director of Music.

Non-payroll staff costs include stipendiary costs for the member of clergy in charge of SBD. This is paid to the London Diocesan Fund, as well as the provision of accommodation and other allowances customarily made for Church of England clergy.

St Barnabas reviewed their own governance and decided to merge their 'leadership team' with the role of 'trustee'. This brings the trustees/leadership team closer to the ministry of the church.

Working with the ministries the Trust supports, the Trustees aim to identify other organisations and individuals that contribute to the Charity's Objectives and we have designated a proportion of the Trust's income to assist their work. In this financial year, we contributed to the Diocese of London's Common Fund and started a regular contribution to London City Mission.

The Trust also holds funds that have been collected by the congregation of SBD as the "SBD 6:10 fund" which has the aim of providing financial help to those within and outside the church. At the end of the year, the balance held for this fund was £1,313..

Volunteers and Supporters

The Trust relies on the volunteers and supporters within the congregation that it resources to help with the furtherance of its objects. As well as hosting weekly church services for anyone to attend, these activities include outreach to the local community through an art club and discussion groups for people who are wanting to explore the Christian faith. Volunteers are also essential to the running of a weekly youth group, organised by the children and families workers from GCH & SBD meets at SBD.

We estimate that the total volunteer time we benefited from during the year amounts to approximately 1250 hours.

Financial review

The charity received grants and donations totalling £132,842 (2022 – £265,965) in the year. Investment income from cash deposits at the bank amounted to £674 (2022 - £834) with total incoming resources of £166,680 (2022 - £294,947). Expenditure for the year totalled £156,104 (2022 - £293,702), giving net income for the year of £10,576 (2022 – £1,245).

Total funds carried forward at 31 March 2023 amounted to £102,551 (2022 - £183,372).

Principal funding sources

The charity is dependent upon donations from individual donors and institutions. Supporters are encouraged to give by standing order; regular giving at the end of the year averaged about £17,000/month. Income from the Mission Hall at SBD continued to vary through the year, with a number of regular bookings and a total income of £30,053 this year.

Investment policy

The charity's Memorandum of Association requires us to consult a financial expert before investing the charity's funds. No investments were made other than deposits with the charity's bankers.

Reserves policy

The trustees aim to maintain an amount of unrestricted funds equivalent to three months' running expenses, although this is dependent on the level of donations received.

Future plans

Looking forward, the Trust will continue to support the work of St Barnabas Dalston. St Barnabas and Grace Church Hackney continue to collaborate with some joint services and the weekly combined youth group.

Structure, Governance and Management

Governing Document

The Grace Church Hackney Trust was incorporated by guarantee on 21 March 2007, has no share capital, and was registered as a charity on 3 December 2007. The guarantee of each member is limited to £1.

The governing document is the Memorandum and Articles of Association of the company.

Recruitment and Training of Trustees

The Board of Trustees are the directors of the company. New Trustees are appointed by the existing Board, with due consideration to the skills and experience that each prospective Trustee can contribute to the Trust.

A new Trustee is introduced to the work of the Trust and is given a copy of the Governing Documents. The Trustee is then briefed on the current Aims and Objectives and fully advised on the financial position of the Charity.

Organisational Management

The Trustees meet once a month, with breaks in holiday periods. Ten meetings were held during this year.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit and that the activities carried out by the Charity during the year were all undertaken in order to further the Charity's aims for the benefit of the Charity's beneficiaries.

The Grace Church Hackney Trust

Legal and Administrative Information

Charity name: The Grace Church Hackney Trust

Charity registration number: 1121781

Company registration number: 06176161

Registered office and operational address: 17 Selwyn Road
London
E35EA

Directors and Trustees

N D Beynon	Chair
Rev N J Charles	Appointed 27 June 2022
Dr RB Palmer	Appointed 27 June 2022
Z Budrikis	Appointed 27 June 2022
DJ Halling	Resigned 30 September 2022
AC Gatti	Resigned 23 September 2022
DD Monteath	Resigned 1 September 2022
G J Taylor	Resigned 11 September 2023

Company Secretary

N D Benyon

Independent Examiner

Rachel Belshaw
Hill Top Accounting Ltd
Hill Cottage, Church Lane
Ufton Nervet
Reading
RG7 4HQ

Bankers

The Co-operative Bank plc
Head Office
PO Box 101
1 Balloon Street
Manchester
M604EP

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Statement of trustees' responsibilities

Charity law requires the trustees to prepare financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of its financial activities that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- observe the methods and principles of the Charities' SORP, Accounting and Reporting by Charities;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue on that basis.

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 Companies Act 2006. They 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.

Small company provisions

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

This report was approved by the board of trustees on 21 December 2023 and signed on its behalf.



Nigel Beynon
Treasurer

The Grace Church Hackney Trust
Notes to the Accounts
For the year ended 31 March 2023

Independent examiner's report to the trustees of The Grace Church Hackney Trust
Charitable Company (the Company)

I report to the Charity Trustees on my examination of the accounts of the Company for the year ended 31 March 2023.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

Rachel Belshaw

Rachel Belshaw
Hill Top Accounting Ltd
Hill Cottage, Church Lane
Ufton Nervet
Reading
RG7 4HQ

Date: 21 December 2023

The Grace Church Hackney Trust
Statement of Financial Activities
(Incorporating Income and Expenditure Account)
For the year ended 31 March 2023

		2023			2022		
		Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
	Notes	£	£	£	£	£	£
Income							
Grants and donations		21,999	110,843	132,842	45,861	220,104	265,965
<i>Income from charitable activities</i>							
Weekend Awayday income		-	2,678	2,678	-	1,785	1,785
Other income		-	30,487	30,487	1,704	24,659	26,363
Investment income		-	674	674	-	834	834
Total income		21,999	144,681	166,680	47,565	247,382	294,947
Expenditure							
Expenditure on charitable activities							
Provision of Church facilities	2	12,091	144,013	156,104	17,692	276,010	293,702
Total expenditure		12,091	144,013	156,104	17,692	276,010	293,702
Net income for the year	3	9,908	668	10,576	29,873	(28,628)	1,245
Transfers between funds					4,419	(4,419)	-
Other recognised gains/(losses)							
Transfers to GCH	11a	(8,652)	(82,745)	(91,397)			
Net movement in funds		1,256	(82,077)	(80,821)	34,292	(33,047)	1,245
Reconciliation of funds:							
Fund balances at 1 April 2022:		55,794	127,578	183,372			
As previously reported					22,441	168,733	191,174
Prior year adjustment					(939)	(8,108)	(9,047)
As restated		55,794	127,578	183,372	21,502	160,625	182,127
Fund balances at 31 March 2023		57,050	45,501	102,551	55,794	127,578	183,372

The statement of financial activities includes all gains or losses for the year. All income and expenditure derives from continuing activities

The Grace Church Hackney Trust
Registered Number: 06176161
Balance Sheet
as at 31 March 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	7	-	-
Current assets			
Debtors	8	84,424	157,261
Cash at bank and in hand		48,519	30,462
		<u>132,943</u>	<u>187,723</u>
Creditors: amounts falling due within one year	9	<u>30,392</u>	<u>4,351</u>
		102,551	183,372
Net current assets			
Net assets	10	<u>102,551</u>	<u>183,372</u>
The funds of the charity:	11		
Unrestricted income funds			
Designated funds		44,229	126,974
General funds		1,271	603
Total unrestricted funds		<u>45,500</u>	<u>127,577</u>
Restricted income funds		57,051	55,795
Total funds		<u>102,551</u>	<u>183,372</u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006 and that the member has not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

The financial statements were approved by the trustees on 21 December 2023 and signed on their behalf.



Nigel Beynon
Trustee

1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the previous year.

Basis of preparation

The accounts (financial statements) 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. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019), the Charities Act 2011 and the Companies Act 2006.

Funds structure and accounting

Restricted grants and donations are available for the charity's use only in accordance with the terms under which, and for the purposes which, the funds were donated to the charity.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular uses.

Income recognition

All income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable.

Investment income is included when receivable.

Expenditure recognition

Expenditure is recognised on an accrual basis as a liability is incurred. Where expenditure includes VAT which can only be partially recovered, the irrecoverable VAT is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the statement of financial activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor area or estimated usage, as set out in Note 3.

Tangible fixed assets and depreciation

Assets with a cost of less than £200 are expensed. Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated so as to write down to estimated residual value the cost of all other tangible fixed assets over their estimated useful lives as follows:

IT equipment	25% per annum on cost
Fixtures and fittings	25% per annum on cost

Leasing

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

The charity operates defined contribution pension schemes. Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the schemes.

The Grace Church Hackney Trust
Notes to the Accounts
For the year ended 31 March 2023

2 Expenditure

	Basis of allocation	Church costs	Governance	2023 Total	2022 Total
		£	£	£	£
Costs directly allocated to activities					
Church and congregation activities		5,932		5,932	8,473
Licences and permits		326		326	625
Salaries, stipends and pension costs		62,886		62,886	136,105
Minister accommodation		36,763		36,763	70,063
Other staff costs		0		0	4,282
Rent and utilities of church building		23,704		23,704	33,457
Training		0		0	180
Grants and donations made		2,054		2,054	19,942
Insurance		4,094		4,094	3,677
Consulting		9,000		9,000	4,800
Accountancy and payroll processing		2,605	750	3,355	2,633
Support costs allocated to activities					
Travel and subsistence	Usage	118		118	552
Printing, postage and stationery	Usage	1,121		1,121	186
Communications and IT	Usage	935		935	2,054
Books and publications	Usage	521		521	400
Church building upkeep	Usage	3,317		3,317	2,668
Bank charges	Usage	0		0	176
Depreciation	Usage	0		0	2,243
Other expenses	Usage	1,979		1,979	1,157
Total resources expended		155,354	750	156,104	293,673

3 Net income for the year

Is stated after charging:

	2023	2022
	£	£
Depreciation and loss on disposal of tangible fixed assets	-	2,243
Independent examination fees	750	1,440

The Grace Church Hackney Trust
Notes to the Accounts
For the year ended 31 March 2023

4 Staff costs and numbers

	2023	2022
	£	£
Staff costs were as follows:		
Wages and salaries	19,540	60,428
Stipend	29,297	50,700
Social Security Costs	3,957	6,402
Pension costs	10,092	20,752
	<u>62,886</u>	<u>138,282</u>

The charity considers its key management personnel comprise the trustees. The total employment benefits of the key management personnel were therefore £Nil (2022: £Nil).

No employee received emoluments of more than £60,000.

The average weekly number of employees during the year including staff paid by stipend, calculated on the basis of full time equivalents, was as follows:

	2023	2022
	No.	No.
Ministers	1	2
Administration and support	2	5
	<u>3</u>	<u>7</u>

The charity operates defined contribution pension schemes for its employees and made contributions during the year of £10,092 (2022: £20,752).

5 Trustee remuneration

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year or the preceding year.

Four (2022: four) trustees and their close family members made donations to the charity in the year totalling £26,684 (2022: £35,530).

6 Taxation

As a registered charity, The Grace Church Hackney Trust is exempt from tax on income and gains falling within Part 11 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

The charity is registered for Gift Aid with HM Revenue & Customs under reference number XT7956.

The Grace Church Hackney Trust
Notes to the Accounts
For the year ended 31 March 2023

7 Tangible fixed assets

	IT equipment £	Fixtures & fittings £	Total £
Cost			
At 1 April 2022	-	7,552	7,552
Additions	-	-	-
Disposals	-	-	-
At 31 March 2023	-	7,552	7,552
Depreciation			
At 1 April 2022	-	7,552	7,552
Charge for the year	-	-	-
Disposals	-	-	-
At 31 March 2023	-	7,552	7,552
Net book values			
At 31 March 2023	-	-	-
At 31 March 2022	-	-	-

There were no capital commitments at 31 March 2023 (2022: Nil)

8 Debtors	2023 £	2022 £
Accounts receivable	-	100
Gift aid recoverable	81,398	153,840
Other debtors	2,700	2,915
Prepayments and accrued income	326	406
	<u>84,424</u>	<u>157,261</u>

9 Creditors: amounts falling due within one year	2023 £	2022 £
Accounts payable	-	315
Social security and other taxation	127	162
Accruals and deferred income	2,190	2,880
Other creditors	28,075	994
	<u>30,392</u>	<u>4,351</u>

Other creditors relates to amounts owed to Grace Church Hackney

The Grace Church Hackney Trust
Notes to the Accounts
For the year ended 31 March 2023

10 Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Current year				
Tangible fixed assets				-
Current assets	57,051	44,229	31,663	132,943
Current liabilities			(30,392)	(30,392)
	57,051	44,229	1,271	102,551
Prior year				
Tangible fixed assets				-
Current assets	55,795	126,974	4,954	187,723
Current liabilities			(4,351)	(4,351)
	55,795	126,974	603	183,372

11 Movement in funds

	At 1 April 22 £	Income £	Expenditure £	Transfers £	At 31 March 23 £
Current year					
Restricted funds					
Grace Church Hackney- 6:10 Fund	8,642			(8,642)	-
Grace Church Hackney - Other fund	10			(10)	-
St Barnabas Dalston - HWNS fund	1,451				1,451
St Barnabas Dalston - 6:10 Fund	1,313				1,313
St Barnabas Dalston - buildings fund	27,299	21,999	(11,400)		37,898
St Barnabas Dalston - other fund	16,389				16,389
Other restricted funds	691		(691)		-
Total restricted funds	55,795	21,999	(12,091)	(8,652)	57,051
Unrestricted funds:					
<i>Designated funds:</i>					
Grace Church Hackney fund	82,745			(82,745)	-
St Barnabas Dalston fund	44,229				44,229
	126,974			(82,745)	44,229
General funds	603	144,681	(144,013)		1,271
Total unrestricted funds	127,577	144,681	(144,013)	(82,745)	45,500
Total funds	183,372	166,680	(156,104)	(91,397)	102,551

The Grace Church Hackney Trust
Notes to the Accounts
For the year ended 31 March 2023

11 Movement in funds (continued)

	At 1 April 21	Income	Expenditure	Transfers	At 31 March 22
Current year	£	£	£	£	£
Restricted funds					
Grace Church Hackney- 6:10 Fund	8,392	250			8,642
Grace Church Hackney - Other fund	26	-	(16)		10
St Barnabas Dalston - CFW fund	3,073	3,600	(11,092)	4,419	-
St Barnabas Dalston - HWNS fund	1,531	-	(80)		1,451
St Barnabas Dalston - 6:10 Fund	1,313	-	-		1,313
St Barnabas Dalston - buildings fund	4,442	27,657	(4,800)		27,299
St Barnabas Dalston - other fund	2,035	14,354	-		16,389
Staff furlough scheme claims	-	1,704	(1,704)		-
Other restricted funds	691	-	-		691
Total restricted funds	21,503	47,565	(17,692)	4,419	55,795
Unrestricted funds:					
<i>Designated funds:</i>					
Grace Church Hackney fund	108,940	126,920	(153,115)	-	82,745
St Barnabas Dalston fund	46,538	116,777	(114,667)	(4,419)	44,229
Tangible fixed assets fund	2,243	-		(2,243)	-
	157,721	243,697	(267,782)	(6,662)	126,974
General funds	2,903	3,685	(8,228)	2,243	603
Total unrestricted funds	160,624	247,382	(276,010)	(4,419)	127,577
Total funds	182,127	294,947	(293,702)	-	183,372

Restricted funds

The *Grace Church Hackney - 6:10* fund is administered at the discretion of the leadership team of Grace Church Hackney, with the aim of providing financial help to those within and outside the church, in response to Paul's letter to the Galatians: "Therefore, as we have opportunity, let us do good to all people, especially to those who belong to the family of believers."

The *Grace Church Hackney - other* fund is monies given in the expectation that they will be applied to the ministry of Grace Church Hackney in support of the charity's aims.

The *St Barnabas Dalston - CFW* fund is monies given to engage a part-time Children and Families Worker at St Barnabas Dalston.

The *St Barnabas Dalston - HWNS* fund is monies restricted for the provision of night shelter services at St Barnabas Dalston, as a host church in the Hackney Winter Night Shelter network.

The *St Barnabas Dalston - 6:10* fund is administered at the discretion of the leadership team of St Barnabas Dalston, with the same aims as the Grace Church Hackney- 6:10 fund.

The *St Barnabas Dalston - building* fund is monies restricted for the maintenance of the hall and church buildings at St Barnabas Dalston.

The Grace Church Hackney Trust
Notes to the Accounts
For the year ended 31 March 2023

11 Movement in funds (continued)

Restricted funds (continued):

The St Barnabas Dalston - hall fund is monies restricted for the maintenance and operation of the Mission Hall at St Barnabas Dalston.

Designated funds:

The *Grace Church Hackney* designated fund is monies that the trustees have allocated to the ministry of Grace Church Hackney.

The *St Barnabas Dalston* fund is monies that the trustees have allocated to the ministry of St Barnabas Dalston.

The tangible fixed assets fund represents the net book value of tangible fixed assets, and has been designated by the trustees to reflect the fact that these funds are not in a liquid form and so are not expendable funds.

12 Commitments in respect of property leases

2023

2022

£

£

At 31 March 2023 the Charity had future minimum lease payments under non-cancellable operating leases as follows:

Not later than one year	12,500	23,735
Later than one year and not later than five years	50,000	50,000
Five years and over	1,050,000	1,062,500
	<u>1,112,500</u>	<u>1,136,235</u>