

Company registration number: 06738209

Charity registration number: 1126718

# Hope Church Orpington

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2022

Field Sullivan Limited  
9 Hare & Billet Road  
Blackheath  
SE3 0RB

## **Hope Church Orpington**

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## Hope Church Orpington

### Reference and Administrative Details

<b>Chairman</b>	Barry Palmer
<b>Directors</b>	Barry Palmer Matthew Bulpitt Gary Carvosso Cassandra Chiwaridzo Anthony Hall Esau Maponda Ruth Marchant Ifeyinwa Njoku Sarah Palmer Olayemi Shyllon
<b>Charity Registration Number</b>	1126718
<b>Company Registration Number</b>	06738209
<b>Registered Office</b>	The charity is incorporated in England and Wales. Unit 8 The Walnuts ORPINGTON BR6 0TW
<b>Independent Examiner</b>	Field Sullivan Limited 9 Hare & Billet Road Blackheath SE3 0RB

# Hope Church Orpington

## Directors' Report

The Directors present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

### Objectives and activities

The objects of the charity are the advancement of the Christian faith and the relief of hardship. There have been no changes in the charitable objects of Hope Church Orpington (the "Church") during the year. In furtherance of these objects the charity operates congregations in five locations in the local area offering a range of activities and pastoral support to both church members and the wider community.

When considering the aims and objectives in general and those that were to apply for the year, the Elders and the other Directors have considered the Charity Commission's (the "Commission") guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion.

### Values statement

The Church has a detailed values statement which can be summarised as follows:

We are an evangelical church built upon apostolic and prophetic foundations to display and express the love and grace of God to the community around us committed to worship, prayer, evangelism, discipleship and building friendships that endorse family life where everyone can feel secure enough to grow.

### Practices Adopted

The holding of regular Sunday and weekday services and meetings open to all. The worship of God, the preaching of His Word, the baptism of believers and the regular holding of Communion. During the year an inter-active live recording was maintained at one of the congregations for those who felt uncomfortable attending a physical meeting after the Covid-19 Pandemic.

- The holding of regular Sunday and weekday services and meetings open to all. The worship of God, the preaching of His Word, the baptism of believers and the regular holding of Communion. During the year an inter-active live recording was maintained at one of the congregations for those who felt uncomfortable attending a physical meeting after the Covid-19 Pandemic.
- A wide range of evangelistic activities, both inside the church building and outside in the community e.g. the Food HUB project which used one of our buildings as a food warehouse servicing foodbanks in the Borough of Bromley.
- The provision of facilities and support for the local community e.g. parent and toddler resources, single parent resources, support and advice for families with children.
- The teaching and training of both full time staff and lay members.
- The resourcing and empowering (including the provision of personnel and finance) of other churches and of Christian work and ministries both in the UK and overseas.

These practices, plus many other activities resulting from our aims and Vision Statement, have continued throughout the year, with many members being involved in various types of mission work of one kind or another. The use of social media to make contact has become part of the way the church does mission.

## Hope Church Orpington

### Directors' Report

In addition, it is our policy to alleviate distress and provide care when appropriate Hope Church and the Local Community

The Church is a member of the Churches Together groups in Orpington, Chislehurst, Bromley Common and West Wickham, and regularly participates in church forums in Downham. We are also part of Transform Bromley Borough ("TBB") and actively participate in joint initiatives. Through our contacts and direct referrals we have been able to use funds that have been set aside to alleviate hardship caused by rising fuel bills, the cost of living crisis and also to offer support and help from our staff and church members.

Part of the Church's values statement is to "express the love and grace of God to the community". The Church recognises the need to serve the local community and is involved in many initiatives to achieve this; including the following:

- Parents & Toddlers - two groups that meet every week during term time in two of the church buildings and provide a service for parents with their young children.
- Pop In - three groups that meet every week in three of the church buildings and provide a service for the older generation from the community. We launched a new group in Downham this year.
- Baby Basics – in conjunction with the Metropolitan Police Sexual Exploitation Unit, The Family Nurse Partnership, Local Bromley Young Persons, midwives and health visitors, Baby Basics provides essential supplies and help for vulnerable women including teenage mums, asylum seekers and domestic violence sufferers.
- Youth Work - the youth work team run youth meetings and activities for teenagers and young people from the church and the local community. The main meeting is held centrally on a Friday night at St Luke's church for all our congregations. In addition, we hold a number of targeted events and teachings based within our local congregations.
- Citizens Advice - the Orpington building is made available to the activities of Citizens Advice helping the local community with legal, social and general advice.
- Schools Work - local schools are invited to visit the Church as part of their religious education and training and during the year we have run a lunch club in a local primary school.
- Street Pastors - in conjunction with other local churches, we support the street pastors in Orpington and Bromley Town Centres helping the local police and community.
- Marriage Preparation and Support - an opportunity for couples planning to get married to get training as well as life skills for building strong marriages is offered on demand.
- Work with women exiting domestic violent relationships – support group with practical help.
- Partnering with the NHS training teams to up-skill their staff.
- Teaching English as a second language launched online for families in the local area and further afield.

The Church operates out of five locations within the London Boroughs of Bromley and Lewisham.

## Hope Church Orpington

### Directors' Report

In December 2022 we sold the Goodmead Centre in Orpington to Triumphant Church International, a church re-locating into Orpington. The Capital receipts have been set aside for:

- Seed Capital for future capital investment.
- Capital investments at St Luke's and in the Walnuts Centre.
- Extending our Community and Social Action Ministries.
- Creating a Central Services team.
- Expanding our ministerial and general intern programme.

Following the outbreak of the Ukraine conflict in February 2022 the Church partnered with the community, other churches in the UK and our members to resource and support sister churches in Ukraine, providing food and support to their communities. Throughout this last year we have overseen 13 trips to Krakow in Poland, delivering 21 tonnes of food and supplies, including 20 generators.

#### Achievements and performance

Given that the objects of the Church are to advance the Christian faith and relieve hardship, the Directors are pleased with what has been achieved during the year under review. There has been continued expansion of the work of the Church in spreading the Christian faith through the five congregations now in operation. Various courses have been run to encourage Christians in their faith, and to give opportunity to those wishing to explore the Christian faith. The Alpha course was run several times, and the Vision and Values course was run frequently for new members to the Church.

In addition, grants totaling £100,698 have been made to various organisations and individuals which are advancing the Christian faith or seeking to relieve hardship. (The £100,698 does not include food and other supplies given to us at zero cost for onward distribution)

#### Financial review

The Church's principal source of income is from voluntary donations. Reviewing our financial position for 2022:

**We gave away** 14% of our income, excluding receipts from the sale of the Goodmead building, and ended the year with a surplus of £699,397 (2021 deficit £67,226) on unrestricted funds (including designated funds).

**Gifts** to external organisations and individuals are considered, by the Elders and approved by the Directors, on the basis of need and fulfilment of the Charitable objectives. There is no upper or lower limit of support.

**The reserves policy** of the charity is to maintain reserves of a minimum of two months' to a maximum of twelve months' expenditure, which would cover the employment needs for approximately 3 months and act as operating capital. Two month's unrestricted fund expenditure in 2022 amounted to approximately £151,000 and unrestricted reserves on general fund, excluding designated funds, held as net current assets amounted to approximately £1,630,562.

The Directors have set aside designated funds from general funds for various purposes. The total amount set aside as designated funds at the end of the year was £128,645.

Reserves, which were restricted and not available for general purposes of the charity, amounted to £80,320. Details of the purpose for which these funds were held are detailed in note 21 to the accounts.

## Hope Church Orpington

### Directors' Report

**Reference and administrative** information is provided on the page following the cover sheet.

The Elders are responsible for monitoring risks and a Risk Register is in place that is reviewed at both Elders and Directors meetings at least annually. All major insurable risks are subject to normal church and employers' insurance. The Elders and Directors of The Church believe that the most acute risks facing the organisation lie in the area of health and safety: either risks in the way that we use our buildings or risks because a building's fabric is old and not up to modern standards.

We have been doing, and are continuing to do, a significant amount of work in these areas by implementing a programme of repairs to our buildings, communication with staff, volunteers and church attendees and liaison with third parties regarding security. With respect to church finances, we recognise that the Church is always dependent on the continued generosity of church members and members of the public in support of the charity. Income (Donations and Legacies excluding food donated in kind) increased by 2% during the year. The Directors are constantly monitoring cash flow and forward budget to ensure that the Church can meet all its liabilities as they fall due.

#### **Plans for the future**

During 2023 we will seek to remain flexible in the delivering of ministry and meeting the physical needs of the people of the Borough of Bromley and through our wider work with Regions Beyond into the UK and abroad. We will achieve this by:

- Continuing to seek opportunities to be in the High Streets and other places of prominence where we can better serve our communities.
- Continuing to invest in and coordinating a pan church response to the increase in poverty arising from the increase in the cost of living, by continuing to manage and grow the food HUB project in collaboration with TBB and the London Borough of Bromley.
- Working with the London City Mission at our Downham Congregation to redevelop the site where the Hope Downham congregation meets to create a community HUB and worship centre within the next 12 months and allow for the expansion of community mission and congregational growth in 3 to 4 years' time.
- Increasing the number of partners who use the new Walnuts Centre facilities to reach more of the community and provide more outreach opportunities.

## Hope Church Orpington

### Directors' Report

#### Directors and officers

The Directors and officers serving during the year and since the year end were as follows:

Directors:	Barry Palmer
	Matthew Bulpitt
	Gary Carvosso
	Cassandra Chiwaridzo
	Anthony Hall
	Esau Maponda
	Ruth Marchant
	Ifeyinwa Njoku
	Sarah Palmer
	Olayemi Shyllon

Chairman:	Barry Palmer
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#### Structure, governance and management

##### *Nature of governing document*

The organisation is a charitable company limited by guarantee as defined by the Companies Act 2006, company registration number 6738209 and registered as a charity with the Charity Commission, charity registration number 1126718. The company was established under a Memorandum and Articles of Association which established the objects and powers of the charitable company and is governed by its Articles of Association.

Hope Church Orpington is part of the Regions Beyond movement and a member of the Evangelical Alliance. Neither of these bodies has control over the operation of the church or its financial affairs.

##### *Recruitment and appointment of directors*

Directors are appointed and removed by a majority of Elders. Elders are appointed by existing Elders.

##### *Induction and training of directors*

New Directors are given induction training provided by the Chair of Directors. They receive recent minutes, the latest report and accounts, the governing document and the guidance produced by Stewardship on being a Director/Trustee. Directors are encouraged to attend training and are informed of relevant training opportunities.



## Hope Church Orpington

### Directors' Report

#### ***Organisational structure***

Organisation and staffing of Hope Church - Hope Church Orpington is an orthodox, evangelical Protestant Christian church. The Church is currently governed by fourteen Elders, headed by a lead Elder who is employed by the Church. In total five of the Elders are employed by the Church. Two are full time and three are part time. There are also a further five full time staff employed and five part time members of staff.

A significant number of volunteer members of the church lead, sustain and develop ministries and activities of the church. Their contribution is vital to the success of the charity.

Staffing needs are kept under regular review by the Elders and other Directors. The Elders, Directors and staff are all committed members of the Church, and support the vision and values of the Church. The Church has a structured approach to staff induction, supervision and annual review. Each employee has a written job description that reflects the scope of the role and responsibility they undertake. Their line manager is responsible for coordinating a planned induction at the beginning of their employment. Regular supervision, usually monthly, is given to all employees and interns.

Salaries for staff are set annually by the salary subcommittee. They make recommendations based on performance during the year, any significant changes in responsibilities and RPI.

The oversight of the Church is the responsibility of a team of fourteen Elders (Tony Hall - lead Elder, Gary Carvosso, David Jackson, Julian Sanders, Matt Lofthouse, Kennedy Mark, Mike Garforth, Colin Potter, Peter Heath, Darren Upton, Gideon Bodi, Mathew Bulpitt, Olayemi Shyllon and Andrew Wilmshurst), assisted by the other Directors, particularly in the administrative and regulatory oversight of the church. Trevor Payne resigned as an Elder on 1 January 2022, Peter Harwood resigned as an Elder on 17 July 2022, Bruce Anderson resigned as an Elder on 30 June 2023 and Jerome Kalan resigned as an Elder on 16 July 2023. Andrew Wilmshurst was appointed as an Elder on 5 February 2023.

The Directors and the Elders are assisted by a team of paid employees and, in common with many churches, a large number of volunteers.

The day to day running of the charity is delegated by the Directors to the Core Team which meets weekly. The Directors agree the overall strategy and budgets, as recommended by the Core Team. Two of the Directors usually sit on the Core Team and are responsible for communicating any changes and representing the Directors' decisions.

## Hope Church Orpington

### Directors' Report

#### Statement of directors' responsibilities

The directors (who are also the directors of Hope Church Orpington for the purposes of company law) are responsible for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

Company law requires the directors to prepare financial statements for each financial year. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the directors of the charity on 7 September 2023 and signed on its behalf by:



Barry Palmer  
Chairman and director

## **Hope Church Orpington**

### **Independent Examiner's Report to the directors of Hope Church Orpington ('the Company')**

I report to the charity directors (who are also Directors for the purpose of company law) on my examination of the accounts of the Hope Church Orpington ('the charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. 11 30

This report is made solely to the charity's directors, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's directors those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's directors as a body, for my work, for this report, or for the opinions I have formed.

#### **Responsibilities and basis of report**

As the charity's directors of Hope Church Orpington 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 Hope Church Orpington 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.

An audit dispensation was granted by the Charity Commission on 06 January 2023 under Regulation 34(3)(b) of the Charities (Accounts and Reports) Regulations 2008.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

#### **Independent examiner's statement**

Since Hope Church Orpington's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

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:

1. accounting records were not kept in respect of Hope Church Orpington 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

## Hope Church Orpington

### Independent Examiner's Report to the directors of Hope Church Orpington ('the Company')

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.



Tim Sullivan FCA  
Field Sullivan Limited  
9 Hare & Billet Road  
Blackheath  
SE3 0RB

Date: 18/9/23

**Hope Church Orpington**

**Statement of Financial Activities for the Year Ended 31 December 2022**  
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2022 £	Unrestricted £	Restricted £	Total 2021 £
<b>Income and Endowments from:</b>							
Donations and legacies		671,723	200,248	871,971	758,927	102,281	861,208
Charitable activities		22,095	-	22,095	32,971	384	33,355
Investment Income	5	13,716	-	13,716	958	-	958
Other Income		897,487	-	897,487	-	-	-
<b>Total income</b>		<b>1,605,021</b>	<b>200,248</b>	<b>1,805,269</b>	<b>792,856</b>	<b>102,665</b>	<b>895,521</b>
<b>Expenditure on:</b>							
Charitable activities		(905,624)	(145,425)	(1,051,049)	(860,082)	(132,146)	(992,228)
<b>Total expenditure</b>		<b>(905,624)</b>	<b>(145,425)</b>	<b>(1,051,049)</b>	<b>(860,082)</b>	<b>(132,146)</b>	<b>(992,228)</b>
<b>Net movement in funds</b>		<b>699,397</b>	<b>54,823</b>	<b>754,220</b>	<b>(67,226)</b>	<b>(29,481)</b>	<b>(96,707)</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		1,092,377	25,497	1,117,874	1,159,603	54,978	1,214,581
Total funds carried forward	21	1,791,774	80,320	1,872,094	1,092,377	25,497	1,117,874

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 is shown in note 21.

The notes on pages 14 to 30 form an integral part of these financial statements.

**Hope Church Orpington**  
**(Registration number: 06738209)**  
**Balance Sheet as at 31 December 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	32,567	1,233,533
<b>Current assets</b>			
Stocks	14	16,834	11,061
Debtors	15	95,716	32,323
Cash at bank and in hand	16	<u>1,785,010</u>	<u>242,462</u>
		1,897,560	285,846
<b>Creditors: Amounts falling due within one year</b>	17	<u>(58,033)</u>	<u>(70,692)</u>
<b>Net current assets</b>		<u>1,839,527</u>	<u>215,154</u>
<b>Total assets less current liabilities</b>		1,872,094	1,448,687
<b>Creditors: Amounts falling due after more than one year</b>	18	<u>-</u>	<u>(330,813)</u>
<b>Net assets</b>		<u>1,872,094</u>	<u>1,117,874</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		80,320	25,497
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>1,791,774</u>	<u>1,092,377</u>
<b>Total funds</b>	21	<u>1,872,094</u>	<u>1,117,874</u>

For the financial year ending 31 December 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

**Directors' responsibilities:**

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The notes on pages 14 to 30 form an integral part of these financial statements.

**Hope Church Orpington**

**(Registration number: 06738209)**  
**Balance Sheet as at 31 December 2022**

The financial statements on pages 11 to 30 were approved by the directors, and authorised for issue on 7 September 2023 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Barry Palmer', written over a dotted line.

Barry Palmer  
Chairman and director

The notes on pages 14 to 30 form an integral part of these financial statements.

## **Hope Church Orpington**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **1 Charity status**

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the directors is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Unit 8 The Walnuts  
ORPINGTON  
BR6 0TW

These financial statements were authorised for issue by the directors on 7 September 2023.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102) - Second edition October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

##### **Basis of preparation**

Hope Church Orpington meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Going concern**

The directors consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.



## Hope Church Orpington

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### **Judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the periods in which the estimate is revised where revisions affects only that period, or in the period of the revision and future periods where the revisions affects both current and future periods.

#### **Income and endowments**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

#### **Donations and legacies**

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

#### **Grants receivable**

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### **Deferred income**

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

#### **Gifts in kind**

Gifts in kind are recognised in different ways dependent on how they are used by the charity:

- (i) Those donated for resale produce income when they are sold. They are valued at the amount actually realised.
- (ii) Those donated for onward transmission to beneficiaries are included in the Statement of Financial Activities as incoming resources and resources expended when they are distributed. They are valued at the amount the charity would have had to pay to acquire them.
- (iii) Those donated for use by the charity itself are included when receivable. They are valued at the amount the charity would have had to pay to acquire them.

#### **Investment income**

Interest is recognised once it has been declared and notification has been received of the interest due.

## **Hope Church Orpington**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Charitable activities***

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.

#### ***Grant provisions***

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets costing £250.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

## Hope Church Orpington

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land and buildings	straight line basis over 50 years (buildings only)
Fixtures, fittings & equipment	straight line basis over 3 - 10 years depending on useful life
Improvements to short leasehold	over the term of the lease to the earliest break point

#### Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## **Hope Church Orpington**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Fund structure**

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

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the directors.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

#### **Pensions and other post retirement obligations**

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

## Hope Church Orpington

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Donations and legacies;				
Appeals and donations	507,357	142,248	649,605	653,556
Gift aid reclaimed	81,039	-	81,039	93,865
Grants, including capital grants;				
Grants from other charities	3,000	58,000	61,000	30,000
Gifts in kind	80,327	-	80,327	83,787
	<u>671,723</u>	<u>200,248</u>	<u>871,971</u>	<u>861,208</u>

#### 4 Income from charitable activities

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Church activities	18,802	18,802	8,298
Services provided under contract	-	-	20,000
Rental income	3,293	3,293	1,237
Other income	-	-	3,820
	<u>22,095</u>	<u>22,095</u>	<u>33,355</u>

#### 5 Investment income

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Interest receivable and similar income;			
Interest receivable on bank deposits	13,716	13,716	958

#### 6 Other income

	Unrestricted funds General £	Total 2022 £
Gains on sale of tangible fixed assets for charity's own use	897,487	897,487

## Hope Church Orpington

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 7 Expenditure on charitable activities

	Note	Total 2022 £	Total 2021 £
Evangelism and community outreach		10,216	6,296
Children's and youth work		25,688	17,084
Church family activities		3,494	1,299
Training future leaders		29,080	19,143
Conferences and other training		1,754	1,305
Orpington premises and operating costs		71,364	60,681
Bromley premises and operating costs		44,259	36,046
West Wickham & Chislehurst premises and operating costs		21,808	7,328
Downham premises and operating costs		34,755	7,571
Other charitable expenditure		871	1,077
Ministerial and travel expenses		10,308	8,193
Depreciation, amortisation and other similar costs		62,294	77,513
Grants to individuals	9	34,838	48,242
Grants to institutions	9	146,187	113,717
Staff costs		396,113	441,163
Support costs	8	158,020	145,570
		<u>1,051,049</u>	<u>992,228</u>

In addition to the expenditure analysed above, there are also support costs of £158,020 (2021 - £145,570) which relate directly to charitable activities. See note 8 for further details.

#### 8 Analysis of support costs

	Total 2022 £	Total 2021 £
Staff costs		
Wages and salaries	100,834	80,039
Social security costs	6,779	-
Administration expenses	25,339	40,303
Independent examination	5,200	4,050
Legal and professional	2,148	3,955
Bank interest payable	17,720	17,223
	<u>158,020</u>	<u>145,570</u>

## Hope Church Orpington

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 9 Grant-making

##### Analysis of grants

	Grants to institutions		Grants to individuals	
	2022	2021	2022	2021
	£	£	£	£
<b>Analysis</b>				
To individuals	-	-	34,838	48,242
To institutions	<u>146,187</u>	<u>113,717</u>	<u>-</u>	<u>-</u>
	<u>146,187</u>	<u>113,717</u>	<u>34,838</u>	<u>48,242</u>

Below are details of material grants made to institutions

Name of institution	Activity	2022 £	2021 £
Regions Beyond	Church activities	25,200	25,200
London City Mission	Church activities	-	8,750
Hope for Tomorrow Global	Church activities	-	6,000
Lesotho Church	Church activities	2,900	3,000
Transform Bromley Borough Food Partnership	Food distribution	50,757	70,453
Other grants of less than £1,000	Church activities	1,551	314
Bridge School	Church activities	3,200	-
Ukraine Support	Church activities	54,419	-
Various organisations	Church activities	<u>8,160</u>	<u>-</u>
		<u>146,187</u>	<u>113,717</u>

## Hope Church Orpington

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 10 Directors remuneration and expenses

During the year the charity made the following transactions with directors:

Anthony Hall received remuneration of £55,295 (2021: £52,520) plus pension contributions of £5,410 (2021: £5,252) and his wife, Tina Hall, received remuneration of £12,587 (2021: £11,517) plus pension contributions of £1,187 (2021: £1,152). Gary Carvosso received remuneration of £17,125 (2021: £16,160) plus pension contributions of £1,616 (2021: £1,664). During the year Molly Carvosso, daughter of Gary Carvosso, received £10,667 (2021: £3,616) plus pension contributions of £106 (2021: £nil) in connection with her employment as media assistant with the charity. Their remuneration was in accordance with the provisions of the governing document.

Three directors and two persons related to them incurred expenses totaling £39,699 (2021: £2,316) in connection with their duties as employees or volunteers rather than as directors and one of them received £1,200 (2021: £200) to cover expenses accommodating an intern working at the church. The significant increase from previous year is due to £34,767 being reimbursed for Ukraine aid expenditure in current year.

Donations received from the directors and persons connected to them for the year totalled £90,476 (2021: £81,301).



## Hope Church Orpington

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 11 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
<b>Staff costs during the year were:</b>		
Wages and salaries	430,000	448,855
Social security costs	35,654	36,467
Pension costs	38,072	35,880
	<u>503,726</u>	<u>521,202</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2022 No	2021 No
Ministerial	14	13
Support	4	5
	<u>18</u>	<u>18</u>

14 (2021 - 13) of the above employees participated in the Defined Contribution Pension Schemes.

The number of employees whose emoluments fell within the following bands was:

	2022 No
£60,001 - £70,000	<u>1</u>

The total employee benefits of the key management personnel of the charity were £182,713 (2021 - £173,209).

The Hope Team Leader, as the highest paid member of staff, received benefits totalling £60,704 (2021 - £57,772).

#### 12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

## Hope Church Orpington

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Improvements to short leasehold £	Total £
<b>Cost</b>				
At 1 January 2022	1,359,421	178,177	176,338	1,713,936
Additions	-	10,727	8,459	19,186
Disposals	<u>(1,359,421)</u>	<u>(31,199)</u>	<u>-</u>	<u>(1,390,620)</u>
At 31 December 2022	<u>-</u>	<u>157,705</u>	<u>184,797</u>	<u>342,502</u>
<b>Depreciation</b>				
At 1 January 2022	208,795	157,390	114,219	480,404
Charge for the year	-	12,685	49,609	62,294
Eliminated on disposals	<u>(208,795)</u>	<u>(23,968)</u>	<u>-</u>	<u>(232,763)</u>
At 31 December 2022	<u>-</u>	<u>146,107</u>	<u>163,828</u>	<u>309,935</u>
<b>Net book value</b>				
At 31 December 2022	<u>-</u>	<u>11,598</u>	<u>20,969</u>	<u>32,567</u>
At 31 December 2021	<u>1,150,626</u>	<u>20,787</u>	<u>62,119</u>	<u>1,233,532</u>

Included within the net book value of land and buildings above is £Nil (2021 - £1,150,626) in respect of freehold land and buildings and £20,969 (2021 - £62,119) in respect of leaseholds.

#### 14 Stock

	2022 £	2021 £
Stocks	<u>16,834</u>	<u>11,061</u>

#### 15 Debtors

	2022 £	2021 £
Trade debtors	52,446	-
Prepayments	14,635	12,849
Other debtors	<u>28,635</u>	<u>19,474</u>
	<u>95,716</u>	<u>32,323</u>

## Hope Church Orpington

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 16 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	406	-
Cash at bank	<u>1,784,604</u>	<u>242,462</u>
	<u>1,785,010</u>	<u>242,462</u>

#### 17 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	-	26,549
Other taxation and social security	15,937	11,631
Other creditors	2,584	-
Accruals	38,724	32,512
Deferred Income	<u>788</u>	<u>-</u>
	<u>58,033</u>	<u>70,692</u>

#### 18 Creditors: amounts falling due after one year

	2022 £	2021 £
Bank loans	<u>-</u>	<u>330,813</u>

## Hope Church Orpington

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 19 Obligations under leases and hire purchase contracts

##### Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 £	2021 £
<b>Land and buildings</b>		
Within one year	10,000	10,000
Between one and five years	<u>7,500</u>	<u>17,500</u>
	<u>17,500</u>	<u>27,500</u>
<b>Other</b>		
Within one year	<u>-</u>	<u>2,658</u>

#### 20 Pension and other schemes

##### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £38,072 (2021 - £35,880).

## Hope Church Orpington

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 21 Funds

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2022 £
<b>Unrestricted funds</b>						
<i><b>General</b></i>						
General Funds	985,436	707,534	(877,328)	(50,000)	897,487	1,663,129
<i><b>Designated</b></i>						
New congregations	18,684	-	(17,721)	-	-	963
Repair and maintenance fund	50,000	-	-	50,000	-	100,000
Christ Central Church, Penge	9,000	-	(9,000)	-	-	-
Social action fund	13,652	-	-	-	-	13,652
Central funds and infrastructure team	1,154	-	(577)	-	-	577
Hardship fund	1,087	-	(398)	-	-	689
Food distribution fund	5,223	-	-	-	-	5,223
Micro mission fund	8,141	-	(600)	-	-	7,541
	<u>106,941</u>	<u>-</u>	<u>(28,296)</u>	<u>50,000</u>	<u>-</u>	<u>128,645</u>
<b>Total unrestricted funds</b>	<u>1,092,377</u>	<u>707,534</u>	<u>(905,624)</u>	<u>-</u>	<u>897,487</u>	<u>1,791,774</u>
<b>Restricted funds</b>						
Special offering and collections	726	1,538	(2,089)	-	-	175
Overseas aid	-	1,500	(1,500)	-	-	-
Micro Mission	251	60	(149)	-	-	162
West Wickham	154	-	-	-	-	154
Baby Basics	12,570	31,536	(23,003)	-	-	21,103
Hardship fund	2,774	12,257	(12,590)	-	-	2,441
Food distribution fund	9,022	63,717	(51,639)	-	-	21,100
Ukraine fund	-	89,640	(54,455)	-	-	35,185
	<u>25,497</u>	<u>200,248</u>	<u>(145,425)</u>	<u>-</u>	<u>-</u>	<u>80,320</u>
<b>Total funds</b>	<u>1,117,874</u>	<u>907,782</u>	<u>(1,051,049)</u>	<u>-</u>	<u>897,487</u>	<u>1,872,094</u>

## Hope Church Orpington

### Notes to the Financial Statements for the Year Ended 31 December 2022

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Balance at 31 December 2021 £
<b>Unrestricted funds</b>				
<i>General</i>				
General Funds	986,700	783,856	(785,120)	985,436
<i>Designated</i>				
New congregations	38,000	-	(19,316)	18,684
Repair and maintenance fund	50,000	-	-	50,000
Christ Central Church, Penge	-	9,000	-	9,000
Social action fund	13,652	-	-	13,652
Central funds and infrastructure team	44,000	-	(42,846)	1,154
Hardship fund	1,387	-	(300)	1,087
Food distribution fund	17,223	-	(12,000)	5,223
Micro mission fund	8,641	-	(500)	8,141
	<u>172,903</u>	<u>9,000</u>	<u>(74,962)</u>	<u>106,941</u>
<b>Total unrestricted funds</b>	<u>1,159,603</u>	<u>792,856</u>	<u>(860,082)</u>	<u>1,092,377</u>
<b>Restricted funds</b>				
Special offering and collections	376	2,736	(2,386)	726
Overseas aid	50	1,500	(1,550)	-
Micro Mission	-	1,250	(999)	251
West Wickham	154	-	-	154
Baby Basics	9,622	36,230	(33,282)	12,570
Hardship fund	3,317	3,960	(4,503)	2,774
Food distribution fund	41,459	56,989	(89,426)	9,022
	<u>54,978</u>	<u>102,665</u>	<u>(132,146)</u>	<u>25,497</u>
<b>Total funds</b>	<u>1,214,581</u>	<u>895,521</u>	<u>(992,228)</u>	<u>1,117,874</u>

## **Hope Church Orpington**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **Designated funds:**

New Congregations - money set aside to establish new congregations.

Repair and maintenance fund - transfers have been made to this fund to facilitate repair of the spire at St Luke's Church Bromley Common. In accordance with a lease dated 23 December 2014 the charity is to repair and restore the spire within 5 years of the date of the lease. The spire repair was not carried out within 5 years of the date of the lease due to lengthy negotiations with the Diocese Rochester and the Covid pandemic. The repairs expected cost was initially estimated to be between £40,000 and £50,000, but a more recent estimation shows a more realistic cost of £100,000. As a result of this, an additional £50,000 was transferred from the general fund.

Christ Central Church, Penge - are funds for mentoring services.

Social action fund - a gift was received towards the social action of the church. It has since been clarified with the donor that the funds can be used at the discretion of the directors who have agreed it will be used as far as possible for social action and therefore the income has been treated as designated.

Central funds and infrastructure team - money set aside to facilitate the work of the infrastructure team.

Hardship fund - a fund to provide help for those facing financial hardship.

Food distribution fund - funds set aside to assist the work of the Transform Bromley Borough Food Partnership initiative.

Micro mission fund - funds set aside to facilitate smaller evangelistic ventures and initiatives.

#### **Restricted funds:**

Special offerings and collections - receives monies from special offerings or gifts received for a restricted purpose which do not form part of another restricted fund. The transfer out of restricted funds reflects restricted income fully expended on assets for ongoing use for unrestricted purposes.

Overseas aid - this fund represents monies raised specifically for relief of poverty in overseas countries.

Micro Mission - funds received to facilitate smaller evangelistic ventures and initiatives.

West Wickham - this fund receives income restricted for use in meeting expenses of the West Wickham congregation.

Baby Basics - this fund receives income restricted for use in providing essential equipment, clothing and toiletries for women and families in extreme need.

Hardship fund - this fund receives gifts for helping those facing financial difficulties.

Food distribution fund - this fund receives income to facilitate the activities of the Transform Bromley Food Partnership initiative.

# Hope Church Orpington

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 22 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 2022 £
Tangible fixed assets	32,567	-	32,567
Current assets	1,817,240	80,320	1,897,560
Current liabilities	(58,033)	-	(58,033)
Total net assets	<u>1,791,774</u>	<u>80,320</u>	<u>1,872,094</u>
	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 2021 £
Tangible fixed assets	1,233,533	-	1,233,533
Current assets	260,349	25,497	285,846
Current liabilities	(70,692)	-	(70,692)
Creditors over 1 year	(330,813)	-	(330,813)
Total net assets	<u>1,092,377</u>	<u>25,497</u>	<u>1,117,874</u>