

Hope Church Winchester

(Limited by Guarantee)
(Company number 6804892)

Report and Financial Statements

Year ended: 31 March 2021

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Legal and administrative information

Status

The charity is a charitable company limited by guarantee and was incorporated on 29 January 2009.

The charity is governed by a Memorandum and Articles of Association. Under the Articles, all members of the charity must be approved by the elders of Hope Church Winchester. Trustees, who are also directors of the charitable company for the purposes of the Companies Act, can be appointed by ordinary resolution in a General meeting of the charity or by the existing trustees. No person may be appointed a trustee of the charity unless they satisfy the appointers that they subscribe and adhere to, in belief and lifestyle, the Statement of Beliefs contained in the Articles.

Trustees

Steve Chick
Ian Johnson
Marcus de Kock (resigned 31 December 2020)
Liz Leathem
Clodia Mutamiri
Peter Smith (Chairman)
Henrik Steinbrecher
Gary Wood

Address

Middle Brook Centre, Middle Brook Street, Winchester, Hampshire, SO23 8DQ

Secretary

Matthew Parker

Auditors

Knight Goodhead Limited, 7 Bournemouth Road, Chandler's Ford, Eastleigh, Hampshire, SO53 3DA

Bankers

National Westminster Bank plc, 105 High Street, Winchester, Hampshire, SO23 9AH

Registered Company Number

6804892

Registered Charity Number

1128609

Hope Church Winchester

Report of the Trustees for the year ended 31 March 2021

The Trustees present their report and the group financial statements of the charity and its subsidiary for the year ended 31 March 2021.

Objects

The objects of the charity are:

- to advance the Christian Faith in accordance with the Statement of Beliefs;
- to relieve sickness, distress or financial hardship and to promote and preserve good health by the provision of funds, goods and services of any kind, including the provision of counselling and support;
- to advance education, marriage and family life;

in such parts of the United Kingdom or the world as the Trustees see fit.

Vision

The Church's vision is to build a grace-filled community of followers of Jesus who bring the good news of the Christian faith and its impact on society to Winchester and the wider world.

Organisational structure

The business of the church is managed by the Trustees who meet regularly to review strategy, policy and operational matters. The spiritual leadership of the church rests with the team of Elders, of whom one is also a Trustee.

Review of activities

The Church has continued to fulfil its charitable objectives. In doing so, the Trustees have considered the Charity Commission's guidance on public benefit and, in particular, specific guidance on charities for the advancement of religion.

Core activities

The Church's regular Sunday meetings and all other activities were significantly impacted by the Covid pandemic during the year when we were unable to meet in person. However, we took full advantage of our online presence and media developments enabled us to meet (albeit virtually) for worship, bible teaching and prayer. We are grateful to God for how this enabled us to engage with many more people, many of whom were new to the Church.

Our Community Groups have continued throughout Winchester and the surrounding areas sustaining relationships and engagement with our communities beyond Sunday meetings. We have also developed our "Hope Care" ministry enabling us to support many in our wider community which has continued to develop and become part of our core activity.

The Church continues to support Christian mission both locally as well as overseas, in conjunction with Commission (formerly part of Newfrontiers UK), with a particular focus on churches in India and the Iberian Peninsula.

Public benefit

The Trustees have complied with section 4 of the 2011 Charities Act to give due regard to the public benefit. They have reviewed guidance set out by the Charity Commission and believe that the charity meets its obligations in this respect through the activities set out under the heading "Community Activity" below. The Trustees will continue to review the activities of the charity to ensure that these are consistent with the legal objects set out in its constitution.

Community activity

Whilst activity has been limited because of pandemic lock-downs, as noted above, we have continued to focus on needs within the City with ongoing close relationships with other Churches and Charities working in Winchester. Throughout this last year we have remained committed to the following:

- *Debt relief* The Winchester Christians Against Poverty Debt Advice Centre is fully funded by the Church and operates from the Middle Brook Centre. This continues to be very successful helping many clients to become and live debt free.
- *The Ark* Our parents and toddler group which attracts a wide range of people largely from outside the Church.
- *The Soup Service* Our weekly soup kitchen runs Thursday night each week throughout the year and attracts many disadvantaged and needy people living within the City.
- *Marriage support* The Church seeks to ensure couples receive help and support in their marriages.
- *Parenting support and training* Our broad range of courses are designed to help people improve their parenting skills. This is open to people within the Church and the wider community.
- *Street Pastors* Church members actively support the work of Winchester Street Pastors which is part of a national initiative providing care for people out in the City Centre late at night.
- *City Centre Chaplaincy* We are actively involved in this listening ministry supporting people working in shops and offices in Winchester City Centre.
- *Basics Bank* We continue to support the work of Winchester Basics Bank which provides emergency food and clothes to individuals and families in need.
- *Youth Work* Our youth work gives an active and fun programme open to young people from within the community.
- *Children's Work* We provide teaching and activities for children from within the Church as well as our wider community on Sundays and through Holiday Clubs.
- *Student Work* We support the work of students in both the University and Winchester College of Art. Our planned programme for students enables them to connect with the Hope Church community.
- *Work with the Elderly* Older people within the Church and wider community meet for friendship and worship
- *The Cradle* Our parents and babies group which is open to people from within the church as well as our wider community.
- *Pregnancy Crisis* We support the work of the Winchester Pregnancy Crisis Centre which offers help and support to women and their families facing an unplanned pregnancy, or those needing support following a still birth, miscarriage or termination.

- *Facilities Hire* Our facilities are available for hire and enable us to serve and build good relationships with the business, public sector and charity communities from in and around Winchester.

Membership

Church membership continues to remain at 330+ adults. We attract significant numbers of visitors each Sunday and this has continued on-line. Members have a high level of commitment as reflected in their generous financial giving.

Middle Brook Centre

Whilst usage was severely limited by current operational restrictions and our determination to follow Government guidance, we have ensured that this God given facility is well maintained. Recent experience confirms that the MBC will continue to be used well by the church and outside agencies, mainly in the public sector.

Personnel

During the year to 31 March 2021 the Church employed an average of 6 full and 16 part-time staff, a full time equivalent of 10 people. This is about the same as last year.

Finance

God has continued to bless the work of the Church financially and all our needs have been met. Overall net income for the year amounted to £70,490 (2020: £46,513). Total unrestricted funds at 31 March 2021 were £4,884,270 (2020: £4,813,780). There were no restricted funds (2020: £nil).

The Church's wholly owned subsidiary, HCW Facilities Management Ltd manages and hires out the property owned by the Church. During the year, the subsidiary generated a profit of £nil (2020 profit of £nil) which included a donation to the parent charity of £nil (2020: £nil).

Reserves

The Trustees regularly review the reserves of the church. This encompasses income and expenditure streams including matching variable income with fixed commitments and taking account of the nature of reserves. Reviews also take into account the Trustees' settled conviction that God will continue to supply the financial needs of the Church as in past years. The Church's general fund increased from £130,335 to £171,677 during the year. The Trustees believe that the Church has sufficient reserves for its current needs.

Risks

The Trustees routinely assess the major risks to which the Church is exposed, in particular those related to the operations and finances of the church, and are satisfied that appropriate systems and arrangements are in place to control and mitigate exposure to major risks.

Appreciation and outlook

We are grateful to God and His people for their provision in meeting the Church's financial needs and for significant ongoing commitment to the life and service of the Church. We continue to believe that we are within the vision that God has put before us and we have every reason to view the future with confidence.

Responsibilities of the trustees

Charity law and the Companies Acts require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the financial year and of the surplus or deficit of the charity. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue on that basis; and
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.

The trustees are also responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are also responsible for the contents of the Trustee's Report, and the responsibility of the auditors in relation to the Trustee's Report is limited to examining the report and ensuring that, on the face of the report, there are no inconsistencies with the figures disclosed in the financial statements.

So far as each trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and each trustee has taken all the steps that he ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

Knight Goodhead Limited were re-appointed as the Charity's auditors during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 and the provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the Trustees on 23 November 2021 and signed on their behalf by:



Peter Smith (Chairman of the Trustees)

Independent auditors report to the members of Hope Church Winchester

Opinion

We have audited the financial statements of Hope Church Winchester (Limited by Guarantee) for the year ended 31 March 2021, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable to the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Independent auditors report to the members of Hope Church Winchester (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditors report to the members of Hope Church Winchester (continued)

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

We identified the laws and regulations applicable to the charitable company through discussions with trustees and other management and we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships, tested journal entries to identify unusual transactions and investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

Independent auditors report to the members of Hope Church Winchester (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

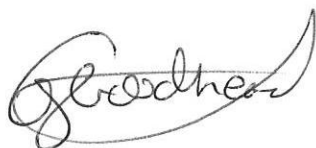
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Knight Goodhead Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**CJ Goodhead FCA
Senior Statutory Auditor
Knight Goodhead Limited**

Chartered Accountants and Statutory Auditors
7 Bournemouth Road, Chandler's Ford, Eastleigh, Hampshire, SO53 3DA

23 November 2021

HOPE CHURCH WINCHESTER

(Company limited by guarantee and not having share capital)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

(Including Income and Expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
INCOME					
Donations and legacies	4	642,072	20,148	662,220	656,630
Charitable activities	5	2,368	-	2,368	16,915
HCW Facilities Management Ltd	9	34,128	-	34,128	66,935
Government grants - CJRS		41,944	-	41,944	-
Investment income		39	-	39	192
Other income		199	-	199	41
TOTAL INCOME		720,750	20,148	740,898	740,713
EXPENDITURE					
Charitable activities	7	616,132	20,148	636,280	627,265
HCW Facilities Management Ltd	9	34,128	-	34,128	66,935
TOTAL EXPENDITURE		650,260	20,148	670,408	694,200
NET INCOME FOR THE YEAR BEFORE TRANSFERS		70,490	-	70,490	46,513
TRANSFERS BETWEEN FUNDS	14,15	-	-	-	-
NET INCOME FOR THE YEAR		70,490	-	70,490	46,513
TOTAL FUND BALANCES BROUGHT FORWARD	14,15	4,813,780	-	4,813,780	4,767,267
TOTAL FUND BALANCES CARRIED FORWARD	14,15	4,884,270	-	4,884,270	4,813,780

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

HOPE CHURCH WINCHESTER

(Company limited by guarantee and not having share capital)

PRIOR YEAR CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Including Income and Expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2020 £
INCOME				
Donations and legacies	4	634,499	22,131	656,630
Charitable activities	5	16,915	-	16,915
HCW Facilities Management Ltd	9	66,935	-	66,935
Investment income		192	-	192
Other income		41	-	41
TOTAL INCOME		718,582	22,131	740,713
EXPENDITURE				
Charitable activities	7	605,134	22,131	627,265
HCW Facilities Management Ltd	9	66,935	-	66,935
TOTAL EXPENDITURE		672,069	22,131	694,200
NET INCOME FOR THE YEAR BEFORE TRANSFERS		46,513	-	46,513
TRANSFERS BETWEEN FUNDS	14,15	-	-	-
NET INCOME FOR THE YEAR		46,513	-	46,513
TOTAL FUND BALANCES BROUGHT FORWARD	14,15	4,767,267	-	4,767,267
TOTAL FUND BALANCES CARRIED FORWARD	14, 15	4,813,780	-	4,813,780

The Statement of Financial Activities includes all gains and losses recognised in the year.
All income and expenditure derives from continuing activities.

CONSOLIDATED AND PARENT CHARITY BALANCE SHEET AT 31 MARCH 2021

	Notes	Group		Charity	
		2021	2020	2021	2020
		£	£	£	£
FIXED ASSETS					
Tangible assets	10	4,646,271	4,622,212	4,646,271	4,622,212
Investments	11	-	-	1	1
CURRENT ASSETS					
Debtors	12	29,590	32,773	78,521	59,601
Cash at bank and in hand		222,676	170,462	172,335	142,974
		252,266	203,235	250,856	202,575
CREDITORS: amounts falling due within one year	13	(14,267)	(11,667)	(12,857)	(11,007)
NET CURRENT ASSETS		237,999	191,568	237,999	191,568
NET ASSETS		<u>4,884,270</u>	<u>4,813,780</u>	<u>4,884,271</u>	<u>4,813,781</u>
FUNDS					
Unrestricted funds	15	4,884,270	4,813,780	4,884,271	4,813,781
Restricted funds	14	-	-	-	-
TOTAL FUNDS	16	<u>4,884,270</u>	<u>4,813,780</u>	<u>4,884,271</u>	<u>4,813,781</u>

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

Approved by the Trustees on 23 November 2021
and signed on their behalf by

Ian Johnson
Trustee

HOPE CHURCH WINCHESTER

(Company limited by guarantee and not having a share capital)

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	1	104,738	80,909
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		39	192
CASH FLOWS FROM FINANCING ACTIVITIES			
Fixed asset additions		(52,563)	(33,895)
NET CASH FLOW		<u>52,214</u>	<u>47,206</u>
NET CASH FLOW FOR THE YEAR			
Change in cash and cash equivalents in the year		52,214	47,206
Cash and cash equivalent at start of the year		170,462	123,256
Cash and cash equivalents at the end of the year	2	<u>222,676</u>	<u>170,462</u>

NOTES TO THE CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

1	NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	2021 £	2020 £
	Net movement in funds for the year	70,490	46,513
	Interest received	(39)	(192)
	Depreciation	28,504	33,870
	(Increase)/decrease in debtors	3,183	2,909
	Increase/(decrease) in creditors	2,600	(2,191)
	Net cash flow from operating activities	<u>104,738</u>	<u>80,909</u>
2	ANALYSIS OF CASH AND CASH EQUIVALENTS	2021 £	2020 £
	Cash at bank and in hand	222,676	170,462
		<u>222,676</u>	<u>170,462</u>

HOPE CHURCH WINCHESTER

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1 ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102, and the Companies Act 2006.

The charitable company meets the definition of the 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 note.

The accounts have been prepared on the going concern basis after taking into account the current risks to going concern due to the ongoing COVID-19 issue as detailed in the Trustee Report.

(b) Fund accounting

- Unrestricted funds are donations and other income received without further specified purposes and are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company.
- Designated funds are funds set aside by the trustees for specified purposes in furtherance of the general objectives of the charitable company.
- Restricted funds are to be used for specific purposes are laid down by the donor. Expenditure which meets these criteria is charged to the fund.

(c) Income

All income is included in the Statement of Financial Activities when the charitable company 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:

Donations and legacies are received by way of offerings and gifts and are included in full in the Statement of Financial Activities when receivable. The value of services by volunteers has not been included, but significant time is given by volunteers, particularly in undertaking management and administration work. Gifts pledged are not brought into the financial statements until they are actually received.

Investment income is included when receivable.

(d) Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. It includes any VAT paid, which is irrecoverable.

HOPE CHURCH WINCHESTER

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1 ACCOUNTING POLICIES (continued)

The policy of including items within the relevant activity categories of expenditure is to apply direct costs to the appropriate activity and indirect costs on the basis of trustees calculations. The cost of charitable activities represents the direct costs of running church activities as set out in the notes to the financial statements. The costs of fundraising trading include direct costs set out in the notes.

(e) Fixed assets

Fixed assets are capitalised for ongoing use within the charitable company, where the individual cost of the asset exceeds £1,000.

Depreciation is provided on fixed assets to spread the cost over the estimated useful lives of the relevant assets at the following rates:

Office equipment	20% straight line
Furniture and fittings	20% straight line

Freehold land is not depreciated. Freehold buildings are depreciated to write down the cost less estimated residual value over the remaining useful life by equal annual instalments. It is the charitable company's policy to maintain all buildings to such a standard that their estimated residual value is not less than their net book value at any given time, therefore, no depreciation is charged.

(f) Pension costs

Contributions in respect of the charitable company's defined contribution scheme are charged to the Statement of Financial Activities for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either other creditors or other debtors at the year end.

(g) Investments

Shares held in the charitable company's trading subsidiary are stated at cost.

(h) Leases

Rentals payable in respect of operating leases where substantially all benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

(i) Taxation

As a registered charity the charitable company is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value added tax is not recoverable by the charitable company, and is therefore included in the relevant costs in the Statement of Financial Activities.

HOPE CHURCH WINCHESTER

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1 ACCOUNTING POLICIES (continued)

(j) Basic financial instruments

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are then carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities, including creditors and loans from fellow group companies are initially recognised at transaction price and are subsequently carried at amortised cost using the effective interest method. Financial liabilities classified as payable within one year are not amortised.

2 LEGAL STATUS

The charitable company is a company limited by guarantee and has no share capital. The charitable company was incorporated on 29 January 2009 in England and was registered on 17 March 2009 with the Charity Commission in England and Wales.

The registered office of the charitable company is Middle Brook Centre, Middle Brook Street, Winchester, Hampshire, SO23 8DQ.

HCW Facilities Management Ltd is a company limited by shares. The company was incorporated on 9 March 2010 in England. The registered office is Middle Brook Centre, Middle Brook Street, Winchester, Hampshire, SO23 8DQ. The company is a 100% owned subsidiary of Hope Church Winchester.

3 WINDING UP OR DISSOLUTION

If upon winding up or dissolution of the charitable company there remains any assets, after satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charitable company.

4 DONATIONS AND LEGACIES

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Gift aid donations	431,252	11,524	442,776	430,998
Tax recoverable	107,813	2,881	110,694	108,990
Other donations	103,007	5,743	108,750	116,642
	642,072	20,148	662,220	656,630

HOPE CHURCH WINCHESTER

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

5 CHARITABLE ACTIVITIES INCOME

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Church departments	1,596	-	1,596	5,888
Events and sundry income	772	-	772	11,027
	2,368	-	2,368	16,915

6 STAFF COSTS

	2021	2020
	£	£
Wages and salaries	338,969	326,233
Social security costs	19,105	19,031
Pension	18,108	15,449
Consolidated staff costs per group	376,182	360,713
Less amounts recharged to connected companies	(33,064)	(64,922)
Total staff costs per charity	343,118	295,791

The average number of staff employed during the year was 22 (2020: 22). No employee received emoluments of £60,000 or more during this year or the prior year.

At the year end there were outstanding pension contributions payable of £nil (2020: £nil). Total pension contributions of £38,844 (2020: £32,393) were paid by the charitable company and are included in the SOFA.

During the year key management personnel were paid a total of £199,365 (5 employees) (2020: £191,407 6 employees).

No remuneration was paid to trustees during the year except those detailed in note 19.

HOPE CHURCH WINCHESTER

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

7 EXPENDITURE	Unrestricted	Restricted	2021	2020
	£	£	£	£
Staff costs	343,118	-	343,118	295,791
Travel and accomodation expenses	3,028	-	3,028	16,214
Visiting speakers	16,800	-	16,800	15,490
Leadership training and frontier project	1,510	-	1,510	14,094
Telephone	4,051	-	4,051	3,590
Middle Brook Centre running costs	42,509	-	42,509	67,360
Catering	1,944	-	1,944	30,466
Church departments	428	-	428	-
Books and CDs	3,722	-	3,722	6,165
Bank charges	2,493	-	2,493	2,191
Computer and website support	46,457	-	46,457	13,793
Professional fees, laws and regulations	3,480	-	3,480	2,786
Sundries	6,200	-	6,200	6,730
Gifts and donations	41,711	20,148	61,859	55,560
Depreciation	28,504	-	28,504	33,870
Audit fee	3,840	-	3,840	3,720
Equipment and venue hire	2,522	-	2,522	29,120
Printing, postage and stationery	3,270	-	3,270	7,555
Hospitality	338	-	338	537
Marketing, advertising and publicity	3,946	-	3,946	16,949
Miscellaneous expenses	-	-	-	92
Repairs and renewals	56,261	-	56,261	5,192
	616,132	20,148	636,280	627,265

Included within audit fees above are amounts due to the auditors in relation to the audit work of £3,180 (2020: £3,060) and £660 (2020: £660) in respect of accounts preparation work. In addition, included within HCW Facilities Management Ltd expenditure is £750 (2020: £630) due to the auditor in respect of accounts preparation work.

HOPE CHURCH WINCHESTER

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

8 ANALYSIS OF GRANTS

Gifts and donations made in the year totalled £61,859, of which £5,618 was made to individuals and £56,241 was made to institutions. Gifts over £1,000 per institution are as follows:

	2021 £	2020 £
Commission Apostolic Trust	40,000	18,000
Christians Against Poverty	7,200	7,480
Nuevos Fronteras Madrid	-	12,500
Street Pastors	2,400	2,400
Winchester Nightshelter	-	2,100
Winchester Pregnancy Crisis Centre	2,400	2,400
Compassion	3,000	-
Other small gifts to institutions	1,241	4,266
Total gifts to institutions	56,241	49,146
Gifts to individuals	5,618	6,414
Total gifts	61,859	55,560

9 NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY

The group Statement of Financial Activities includes the results of the charitable company's wholly owned subsidiary, HCW Facilities Management Ltd, which deals with the hiring of church facilities to third parties. The subsidiary is incorporated in the United Kingdom and pays all of its profits to the charitable company by way of donation. The charitable company owns the entire share capital of 1 ordinary share of £1.

HCW Facilities Management Ltd prepares its accounts each year to 31 March for filing with the Registrar of Companies. Its company registration number is 07181799.

HOPE CHURCH WINCHESTER

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

9 NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY (continued)

The results for the year ended 31 March 2021 are summarised as follows:

	2021 £	2020 £
Turnover	17,485	66,935
Government grants -Coronavirus support	16,643	-
Administration expenses	(34,128)	(66,935)
Net profit	-	-
Amounts gifted to Hope Church Winchester	-	-
Retained in subsidiary	-	-

The net assets of the company at 31 March 2021 were £1 (2020: £1).

10 TANGIBLE FIXED ASSETS

Group and charity	Freehold Property £	Equipment £	Furniture and fittings £	Total £
COST				
At beginning of year	4,557,568	44,373	607,398	5,209,339
Additions	-	2,422	50,141	52,563
Disposals	-	(4,690)	(688)	(5,378)
At end of year	4,557,568	42,105	656,851	5,256,524
DEPRECIATION				
At beginning of year	-	37,715	549,412	587,127
Charge for the year	-	2,246	26,258	28,504
Disposals	-	(4,690)	(688)	(5,378)
At end of year	-	35,271	574,982	610,253
NET BOOK VALUE				
At end of year	4,557,568	6,834	81,869	4,646,271
At beginning of year	4,557,568	6,658	57,986	4,622,212

HOPE CHURCH WINCHESTER

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

11 INVESTMENTS

	Total £
COST	
At 1 April 2020 and 31 March 2021	<u>1</u>

Hope Church Winchester holds 100% of the share capital of HCW Facilities Management Ltd, a company incorporated in England and Wales. The principal activity of HCW Facilities Management Ltd is the hiring of rooms in the charitable company's premises at the Middle Brook Centre.

12 DEBTORS

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Income tax recoverable	9,067	17,394	9,067	17,394
Prepayments	10,080	8,235	10,080	8,235
Other debtors	10,443	1,462	1,300	1,462
Hiring debtors	-	5,682	-	-
Amounts due from HCW Facilities Management Ltd	-	-	58,074	32,510
	29,590	32,773	78,521	59,601

13 CREDITORS: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	1,904	153	1,904	153
Accruals and deferred income	12,363	11,119	10,953	10,459
Other creditors	-	395	-	395
	14,267	11,667	12,857	11,007

14 RESTRICTED FUNDS

	Funds b/fwd	Income	Expenditure	Transfers	Funds c/fwd
	£	£	£	£	£
Specified giving fund	-	20,148	(20,148)	-	-
	-	20,148	(20,148)	-	-

Specified giving fund

The specified giving fund was established to receive gifts specifically for charitable purposes outside of Hope Church Winchester.

HOPE CHURCH WINCHESTER

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

15 UNRESTRICTED FUNDS

	Funds b/fwd £	Income £	Expenditure £	Transfers £	Funds c/fwd £
Maintenance fund	61,233	-	(54,911)	60,000	66,322
Capital fund	4,622,212	-	(28,504)	52,563	4,646,271
Total designated funds	4,683,445	-	(83,415)	112,563	4,712,593
General funds	130,335	720,750	(566,845)	(112,563)	171,677
	4,813,780	720,750	(650,260)	-	4,884,270

Maintenance fund

Annual amounts of £30,000 are transferred in to the maintenance fund from the general fund to provide reserves for major maintenance work that may be required at the Middle Brook Centre. In the current year, an additional one off top up of £30,000 was transferred.

Capital fund

This fund matches the net book value of the tangible assets held by the church.

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	2021 £
<i>As at 31 March 2021</i>			
Tangible fixed assets	4,646,271	-	4,646,271
Debtors	29,590	-	29,590
Bank and cash	222,676	-	222,676
Creditors	(14,267)	-	(14,267)
	4,884,270	-	4,884,270
	Unrestricted £	Restricted £	2020 £
<i>As at 31 March 2020</i>			
Tangible fixed assets	4,622,212	-	4,622,212
Debtors	32,773	-	32,773
Bank and cash	170,462	-	170,462
Creditors	(11,667)	-	(11,667)
	4,813,780	-	4,813,780

HOPE CHURCH WINCHESTER

(Company limited by guarantee and not having share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

17 SHARE CAPITAL

The charitable company is incorporated under the Companies Act and is limited by guarantee, each member having undertaken to contribute such amounts not exceeding one pound as might be required in the event of the company being wound up whilst he or she is still a member or within one year thereafter.

18 PARENT CHARITABLE COMPANY

Below are summarised results for Hope Church Winchester, excluding the subsidiary company:

	2021	2020
	£	£
INCOME		
Donations and legacies	662,220	656,630
Charitable activities	2,368	16,915
Government grants - Coronavirus Job Retention Scheme	41,944	-
Investment income	39	192
Other income	199	41
TOTAL INCOME	706,770	673,778
EXPENDITURE		
Charitable activities	636,280	627,265
TOTAL EXPENDITURE	636,280	627,265
NET INCOME FOR THE YEAR	70,490	46,513

19 RELATED PARTY TRANSACTIONS

S Chick, trustee, was paid £51,909 (2020: £50,398) for his role as lead elder and received pension contributions of £3,115 (2020: £3,024). These payments are permitted by clause 5.3 of the Memorandum of Association.

Three relatives of trustees were paid £47,016 (2020: £43,105 to three relatives) as employees of the charitable company.

No trustees received reimbursement of expenses during the year in respect of travel, books, catering and subsistence amounting to £nil (2020: £2,194 one trustee).

During the year, the charitable company received donations from HCW Facilities Management Ltd, a wholly owned subsidiary, of £nil (2020: £nil) and recharged expenses totalling £34,148 (2020: £64,922). At the year end, the charitable company was owed £58,074 by HCW Facilities Management Ltd (2020: £32,510).