

DESTINY CHURCH NEWCASTLE

(a company limited by guarantee)

Annual Report and Financial Statements

31 March 2021

Company registration number
06926769

Charity registration number
1134332

Destiny Church Newcastle
Annual Report and Financial Statements
Contents

	Page
Charity information	1
Report of the trustees	2
Independent examiners' report	6
Statement of Financial Activities	7
Balance sheet	8
Notes to the accounts	9

Destiny Church Newcastle
Charity information

Reference and administrative details

Trustees & directors	Timothy Brown Paul Davidson Foden Teresina Nancy Fullaard
Company number	6926769
Charity number	1134332
Registered office	23 Briarside Newcastle upon Tyne NE5 2LT
Independent examiners	Kinnair and Company Limited Aston House Redburn Road Newcastle upon Tyne NE5 1NB
Bankers	Barclays Bank plc Leicester

Destiny Church Newcastle

Report of the trustees

Introduction

The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ending 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Objectives and principal activity

The objects for which Destiny Church Newcastle is established are:

- for the benefit of the public.
- to advance the Christian Faith (in accordance with the statement of beliefs) in such ways and in such parts of the United Kingdom or the World as the trustees from time to time may think fit.
- to relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind, through the provision of counselling and support in such parts of the United Kingdom or the World as the trustees from time to time may think fit.
- to advance education in such ways and in such parts of the United Kingdom and the World as the trustees from time to time may see fit.
- the trustees must use the income and may use the capital of the church in promoting the objects.

Achievements and performance

This year saw the Covid Pandemic in some ways affect the activities of the church with restrictions on meeting face to face, lockdowns where no meetings were possible, mask wearing etc, all of which are alien to the culture of the church. As a church we believe God is real and He therefore speaks today. A prophetic word given by Pastor Alison Brown, before Covid was heard of in October 2019 at a Leaders Meeting in Glasgow forewarned us and the Destiny Church Leaders that something disastrous was about to happen. When the virus pandemic happened we were not put off our stride but have embraced this unusual period and flourished accordingly - Praise God! We have also seen multiple healings and God's supernatural provision in all kinds of ways and that is why we and the members love this church!

When the pandemic began we decided to start online prayers everyday for 10 minutes at Noon and 8pm. This helps people's mental health and spiritual health and provided a life line when people were shut in through lockdowns. It enabled the church community to relate to each other by posting encouraging messages on each 'broadcast' and different members of the church took on slots. People have contacted us and said they had been helped by this across the UK, Italy and about 8 different countries in Europe.

We also continued online services and people posted in photographs and video clips via WhatsApp from their phones for a church magazine style programme. This has helped everyone have a sense of togetherness. Most weeks these took until 4 or 5 in the morning to edit, complete and upload to Facebook. The majority of programmes were filmed simply on an iPhone with better lighting, microphones etc being added to improve the quality as the pandemic progressed.

In the Summer we introduced meet ups on Sunday afternoons in the park when permitted under legislation. Again these helped the shut in, families and the isolated. People in the church provided haircuts, shopping deliveries and all kinds of kindnesses were shown.

Destiny Church Newcastle

Report of the trustees

In November the lockdown was eased but our hotel venue was still closed. We decided to relocate to the St Vincents Centre which was excellent for hospitality and social distancing, the congregation meeting around tables and defined squares marked on the floor. Then lockdown was introduced again, so online services restarted.

During the winter a local farmer from Heddon on the Wall, who was unable to deliver his eggs to restaurants contacted us with weekly / bi weekly egg donations. Up to 400 free range eggs were delivered to the locality. Also a local restaurant closed and donated us its freezer food, fresh and tinned catering size portions of all which helped us feed those in need.

Giving throughout the period was fairly consistent but down by around 18%. This was due to a lack of face to face meetings and card / cash giving, so all giving had to be online. However a lack of hires and lowering of costs meant that we could save and build the charity's reserves.

Our Streetworx arm of the church which aims to meet the needs of the homeless had to partially regroup in the light of government announcements and restrictions. Our team were asked by the police not to go on the streets as 'all the homeless were housed in hostels and hotels' - officially. However our experienced team suspected that this would only lead to more bullying, drug indebtedness and substance misuse, which proved to be the case, driving people from this well intentioned provision back onto the streets / into tents and cardboard shelters. Sadly street homelessness is a multifaced problem which seems unlikely to go away or easily be solved. so our teams 'just went for a walk' and found people in need and helped them in the various ways we do with food, sleeping bags, hot drinks and food. We were subsequently asked by the police to help our street friends, which was done on numerous occasions after receiving assurances that team members would not be arrested from doing so! So this dance occurred throughout lockdowns with out Hi-Vis Streetworx teams operating openly during the periods when things returned to normal. During lockdown our Facebook page for Streetworx also grew reaching around 6,700 followers. we also worked with the Probation Service and now offer the opportunity for people to serve community sentences by helping sort and organise goods in our store and prepare the trolleys for the actual Streetworx.

Pre Easter we got permission to meet as a church again. We have seen growth ever since. Every Sunday there have been new visitors, lives turning around and people being born again. Baptising people has been a problem since many churches remained closed or did not want to rent their baptistries. It has been the biggest period of growth in 15 years. We put this down to consistent prayer on a daily basis, a strong building of community, through our online offerings and most of all the blessing of God. As a charity we find that we are in a good position financially, spiritually and numerically.

Financial review

The charity's incoming resources decreased from £88,341 to £70,959. Total resources expended decreased from £66,753 to £48,912. Net incoming resources for the year amounted to £22,047 (2020 - £21,588).

The trustees carry out an annual review of the level of income reserves which they feel is appropriate to maintain in order to meet the charity's objectives effectively. The charity held fund balances at the year end of £75,736, all of which were unrestricted funds and held in forms considered appropriate to the charitable company's activities and future commitments.

The trustees have identified the principal risks facing the charity and, in their opinion, have addressed those risks by the appointment of informed trustees who can provide detailed and appropriate guidance to all other officers, and by the appointment of external independent examiners.

Destiny Church Newcastle

Report of the trustees

Reserves policy

We keep money in savings and have built a reserve which aims to give us 3 months operating costs in reserve. As noted in Achievements and Performance section above we have built our reserves over the period quite successfully.

Plans for future periods

We aim to continue to grow numerically. We will continue to evangelise and reach out to include people. We have a multinational, multi ethnic church which reflects the diversity of society around us. There is a thriving children's work and a small but growing teens group.

With church growth and request hall / storage hires comes the need for own building. We aim to build our own building fund in order to purchase our first building. We believe that the post Covid period will provide us with opportunities to achieve this goal and we will fundraise and evangelise accordingly to meet the needs of the society around us. Each 4 hour hire currently costs us £150, plus over £6k per year on storage and so we could afford mortgage repayments on the amount of rent we are expecting.

The Streetworx arm helping the homeless also rents storage facilities and so if these two aspects were combined into one multipurpose building the community impact and synergy of both activities would fulfil the aims and purposes of this charity. We would also like to run support groups which help people recover from drugs / alcohol etc as we are attracting people who are getting free of these addictive behaviours.

We are planting a new church group in Northumberland in January 2022 and other as God leads.

Structure, governance and management

As a company limited by guarantee, there is no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for debts and liabilities contracted before he/she ceases to be a member. The relevant governing document is the Memorandum and Articles of Association.

The trustees have not delegated day to day running of the charity, this is maintained by themselves.

New trustees are appointed by the serving trustees. The training and induction provided for new trustees is provided by the serving trustees.

Reference and administrative details

Destiny Church Newcastle, (the charity, the charitable company) is a charitable company formed to achieve the objectives stated in the governing document and memorandum and articles of the charity. It is a company limited by guarantee (registered number 06926769) and is also a registered charity (registration number 1134332).

The trustees who acted during the year and up to the date of the report are shown on page 1.

The registered office of the charity and details of its principal advisers are given on page 1.

Destiny Church Newcastle

Report of the trustees

Public benefit

The trustees are satisfied that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

When planning the charity's activities for the year, the trustees considered the Charity Commission's guidance on public benefit. The trustees also considered how the charity had succeeded in delivering its aims, including public benefit, when reviewing the achievements for the year which are set out below.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of Destiny Church Newcastle for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which 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 the income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:

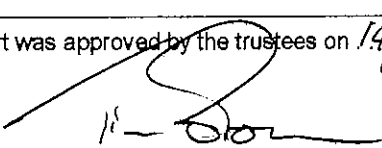
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the accounts 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 responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approval

This report was approved by the trustees on 14/12/2021 and signed on its behalf by:


T Brown
Director and Trustee

Destiny Church Newcastle
Independent examiners' report to the trustees of Destiny Church Newcastle

I report on the accounts of the company for the year ended 31 March 2021, which are set out on pages 7 to 12.

Respective responsibilities of trustees and examiners

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. I am qualified to undertake the examination by being a qualified member of The Institute of Chartered Accountants in England and Wales.

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

- examine the accounts under section 145 of the 2011 Act
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act
- to state whether particular matters have come to my attention

Basis of independent examiner's report

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

Independent examiner's statement

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

1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006 and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met or

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

Kinnair & Company Ltd

Kinnair and Company Limited
Chartered Accountants
Aston House
Redburn Road
Newcastle upon Tyne
NE5 1NB

...15/12/21

Destiny Church Newcastle
Statement of Financial Activities (incorporating an Income and Expenditure Account)
for the year ended 31 March 2021

	Notes	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Charitable activities	2	70,957	70,957	88,337
Investment income	3	2	2	4
Total		70,959	70,959	88,341
Expenditure on:				
Charitable activities	4	48,912	48,912	66,753
Total		48,912	48,912	66,753
Net movement in funds		22,047	22,047	21,588
Funds brought forward		53,329	53,329	31,741
Funds carried forward		75,376	75,376	53,329

The charitable company has no recognised gains or losses other than those shown in the Statement of Financial Activities. None of the charitable company's activities were acquired or discontinued during the above two financial years.

Destiny Church Newcastle
Balance Sheet
as at 31 March 2021

	Notes	2021 £	2020 £
Current assets			
Debtors	8	377	377
Cash at bank and in hand		76,466	53,452
Total current assets		<u>76,843</u>	<u>53,829</u>
Liabilities: amounts falling due within one year	9	(1,467)	(500)
Net current assets		<u>75,376</u>	<u>53,329</u>
Net assets		<u>75,376</u>	<u>53,329</u>
Funds			
<i>Unrestricted funds:</i>			
- General Fund	10	75,376	53,329
Total charity funds		<u>75,376</u>	<u>53,329</u>

For the year ended 31 March 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustee's 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 trustees 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 of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard 102.

These accounts were approved by the directors on 14/12/2021 and signed on their behalf by:



T Brown
Trustee

The notes on pages 8 to 11 form part of these financial statements

Destiny Church Newcastle
Notes to the Accounts
for the year ended 31 March 2021

1 Accounting policies

Accounting conventions

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

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 and with the requirements of the Companies Act 2006 and the Charities Act 2011. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Fund accounting

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

Designated funds are available for use at the discretion of the trustees in support of providing premises and associated costs.

Income

All incoming resources are included in the statement of financial activities where the charity is entitled to, and virtually certain to receive, the income and the amount can be quantified with reasonable accuracy.

Voluntary income is received by way of donations, tithes, offerings and gift aid and is included in full in the Statement of Financial Activities when received.

Expenditure

Expenditure is charged on an accruals basis, as a liability is incurred, inclusive of irrecoverable Value Added Tax.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both the direct and support costs relating to those activities.

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

Taxation

The charitable company is exempt from income tax on its charitable activities but is not exempt from Value Added Tax. Irrecoverable VAT is included in the cost of those items to which it relates.

Financial Instruments

The company only has financial assets and liabilities of a kind that qualify as basic.

Destiny Church Newcastle
Notes to the Accounts
for the year ended 31 March 2021

2 Income: Charitable activities

	2021 Unrestricted £	2021 Total £	2020 Total £
Donations and gifts	60,203	60,203	73,815
Gift Aid	10,754	10,754	14,522
	<u>70,957</u>	<u>70,957</u>	<u>88,337</u>

3 Income: Investment Income

	2021 Unrestricted £	2021 Total £	2020 Total £
Bank interest receivable	2	2	4
	<u>2</u>	<u>2</u>	<u>4</u>

4 Expenditure: Charitable activities

	2021 Unrestricted £	2021 Total £	2020 Total £
Costs directly allocated to activities			
Advertising	81	81	564
Events	401	401	2,604
Rent	450	450	9,860
Subscriptions	3,858	3,858	8,701
Donations	265	265	374
Staff costs	15,862	15,862	15,702
Streetworx	7,363	7,363	7,995
Support costs allocated to activities			
Bank charges	12	12	13
General office	3,469	3,469	4,079
Legal and professional costs	733	733	513
Repairs	30	30	23
Staff costs	15,862	15,862	15,702
Travel	526	526	623
	<u>48,912</u>	<u>48,912</u>	<u>66,753</u>

Destiny Church Newcastle
Notes to the Accounts
for the year ended 31 March 2021

5 Expenditure: Governance costs

Included in expenditure: charitable activities are governance costs amounting to:

	2021	2021	2020
	Unrestricted	Total	Total
	£	£	£
Legal and professional costs	720	720	500
Staff costs	15,862	15,862	15,702
Travel	100	100	124
General administrative costs	502	502	538
	<u>17,184</u>	<u>17,184</u>	<u>16,864</u>

6 Staff costs

	2021	2020
	£	£
Salaries	31,200	30,935
Pension costs	504	708
Staff training and other costs	20	230
	<u>31,724</u>	<u>31,873</u>

No employee earned more than £60,000 during the year. One trustee Pastor T Brown received £15,000 (2020 - £15,000) remuneration for his services. Travel costs of £500 and £30 reimbursement (2020- £338) were paid on behalf of Pastor T Brown, trustee.

The average number of staff employed during the year was:

	2021	2020
	Number	Number
Administration	<u>3</u>	<u>3</u>
	<u>3</u>	<u>3</u>

7 Net outgoing resources

	2021	2020
	£	£
This is stated after charging:		
Independent examiners' remuneration		
- as independent examiners	<u>720</u>	<u>500</u>

Destiny Church Newcastle
Notes to the Accounts
for the year ended 31 March 2021

8 Debtors	2021	2020
	£	£
Other debtors	377	377

9 Creditors: amounts falling due within one year	2021	2020
	£	£
Other taxes and social security costs	434	-
Other creditors	313	-
Accruals and deferred income	720	500
	<u>1,467</u>	<u>500</u>

10 Funds	At 1 Apr 2020	Incoming resources	Outgoing resources	At 31 March 2021
	£	£	£	£
Unrestricted funds				
General fund	7,813	64,540	(48,912)	23,441
Designated fund	45,516	6,419	-	51,935
Total unrestricted funds	<u>53,329</u>	<u>70,959</u>	<u>(48,912)</u>	<u>75,376</u>
Total funds	<u>53,329</u>	<u>70,959</u>	<u>(48,912)</u>	<u>75,376</u>

11 Related party transactions

	£
Alison Brown - wife of pastor - charity activities and pastoral support	15,000
Joanne Foden - wife of trustee - charity activities and pastoral support	1,200

Donations of £1,915 were received from the trustees during the year.

12 Controlling party

The charity is under the control of the trustees, as a body.