

HOPE CORNER
(a company limited by guarantee)

OPERATING AS

**HOPE CORNER CHURCH
HOPE CORNER SCHOOL**

**ANNUAL REPORT AND
UNAUDITED FINANCIAL STATEMENTS

FOR

THE YEAR ENDED MARCH 31 2022**

**HOPE CORNER
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31 2022**

INDEX

Administrative information	1
Trustees' and Directors' annual report	2 – 6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Statement of cash flows	10
Notes to the financial statements	11 – 19

**HOPE CORNER
ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED MARCH 31 2022**

DIRECTORS

Rev'd Mark B J Finch JP
Mr John C Cavanagh
Mr Jason K Worrall
Mrs Pauline E Rushworth
Mr Mathew B M Finch
Mr John O Ilupeju

COMPANY SECRETARY

Mr Paul John Rushworth

PRINCIPAL STAFF

Rev'd Mark B J Finch JP
Mrs Maria Houghton

Senior Minister
School Head Teacher

REGISTERED OFFICE

70 Clifton Road,
Runcorn
WA7 4TD

PRINCIPAL PLACE OF BUSINESS

70 Clifton Road
Runcorn
WA7 4TD

**INDEPENDENT EXAMINER
& ACCOUNTANTS**

Peter Smith BA FCA DChA
HGA Accountants & Financial Consultants Ltd
t/a Chittenden Horley - Chartered Accountants
The Wesley Centre
Royce Road, Hulme
Manchester M15 5BP

**HOPE CORNER
ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED MARCH 31 2022**

INTRODUCTION

The trustees present their annual report together with the financial statements of Hope Corner for the year ended March 31 2022 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 in the UK and Republic of Ireland (FRS102) (effective 1 January 2019), referred to as the Charities SORP (FRS 102) (second edition – October 2019).

OUR PURPOSES AND ACTIVITIES

Objects

The objects of the charity are for the benefit of the public particularly in the areas of Christian life and general Education. Specifically, this includes;

- Advancing the Christian Faith in accordance with the Statement of faith of the Assemblies of God
- The relief of sickness and hardship and promotion of good health.
- Advancing education particularly supporting those with special needs.

We use the resources available to the charity for the good of people regardless of their age, background, race, religion or gender.

Our Devotion Together in the Christian faith, inspires us to support the relevant needs of those accessing Hope Corner and those of the wider community.

We support and encourage both directly and indirectly practitioners helping the wider community both in Britain and overseas particularly in the areas of Church development, education and the relief of poverty.

The Trustees oversee a wide range of activities directed to fulfilling these objects. Hope Corner Church promotes all three of the charity's objects across a range of activities. Hope Corner School is focused exclusively on the advancement of education. The charity principally operates from its purpose-built freehold premises in Clifton Road, Runcorn.

The charity does not generally charge its beneficiaries for the services they receive and therefore the Trustees are confident that the charity is able to demonstrate its adherence to the Charity Commission's guidance, with regard to public benefit.

Together with the provision of inspiring Church services, we run a special educational needs school, children's work, youth work, financial management training, oversees support to Uganda and India. The Charity aims to provide programmes emphasising a holistic provision for beneficiaries that fosters; Spiritual, Physical, Mental and Social wellbeing.

We have been awarded national recognition for our work.

OUR CHARTER

We provide an inclusive service to our community by:

- 1) Serving and respecting all people regardless of their gender, marital status, race, ethnic origin, religion, age, sexual orientation or physical and mental capability.
- 2) Acknowledging the freedom of people of all faiths or none both to hold and to express their beliefs and convictions respectfully and freely, within the limits of the UK law.
- 3) Never imposing our Christian faith or belief on others but allowing them to view and inquire about what it means to be in relationship to Christ Jesus.
- 4) Developing partnerships with other churches, voluntary groups, statutory agencies and local government wherever appropriate in order to create an effective, integrated service for our clients avoiding unnecessary duplication of resources.
- 5) Providing and publicising regular consultation and reporting forums to client groups and the wider community regarding the effective development and delivery of our work and our responsiveness to their actual needs.

**HOPE CORNER
ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED MARCH 31 2022**

ACTIVITIES

We value all individuals in a way that is consistent with our distinctive Christian ethos by:

- 1) Creating an environment where clients, volunteers and employees are encouraged and enabled to realise their potential.
- 2) Assisting our clients, volunteers and employees to take responsibility for their own learning and development, both through formal and informal training opportunities and ongoing assessment.
- 3) Developing an organisational culture in which individuals learn from any mistakes made and where excellence and innovation are encouraged and rewarded.
- 4) Promoting the value of a balanced, holistic lifestyle as part of each individual's overall personal development.
- 5) Abiding by the requirements of employment law in the UK and implementing best employment practices and procedures designed to maintain our distinctive ethos and values.

We continually strive to develop a professional approach to management, practice and funding by:

- 1) Implementing a management structure, which fosters and encourages participation by staff at all levels in order to facilitate the fulfilment of the project's goals and visions.
- 2) Setting and reviewing measurable and timed outcomes annually and regularly to evaluate and monitor our management structure and output, recognising the need for ongoing organisational flexibility, development and good stewardship of resources.
- 3) Doing all we can to ensure that we are not over-dependent on any one source of funding.
- 4) Implementing best practice procedures in terms of Health and Safety and Safeguarding in order to protect our staff, volunteers and clients.
- 5) Handling our funding in a transparent and accountable way and to give relevant people from outside our organisation reasonable access to our accounts.

Psalm 60 verse 12 in the Bible says *'With God's help, we will do great things'*. This perfectly describes our experience here at Hope Corner over the last year.

As a church, school as well as all the other projects, we are grateful for the continued devotion of our staff and volunteers as well as the sustaining power of our Lord and Saviour.

We have faced the same challenges as most small charities trying to accomplish extraordinary things with the resources available, yet in these circumstances our 'edge' has been the amazing grace of God.

Hope Corner Church Services

All our regular church activities continue to be well attended with a rich variety of age groups, families and cultural backgrounds. The spiritual, mental and physical value of our meetings cannot be overstated! Because we have developed worship in a vibrant and relevant way, people make the effort to 'come to church' which is a refreshing change these days. A byproduct of people excited about church is the fact that many commit to regular financial giving to the projects Hope Corner is doing in the community. People do this freely as an expression of their faith in God and the aims of the charity.

Hope Corner School.

Our special education school continues to do outstanding work with some very vulnerable young people. Unlike many other educational establishments, our school remained open during 'lock down' and it was not an easy time. Following this we had an OFSTED inspection which we were expecting as part of the governments ongoing education plans. This visit confirmed the exceptional personal support given to each of our students together with excellent safeguarding.

The staff have worked hard over this last year to achieve the teaching development as required by OFSTED.

The greatest value of Hope Corner School is to see our students go on to higher education and become positively engaged with their community, which always looks like an impossible outcome with some when they arrived with us. We are extremely appreciative of our highly skilled staff, governors and those who support them from the church.

Youth and Children's work

Sadly, Hope Corner is one of the few churches in the area providing regular youth and children's activities. We feel privileged to have a wonderful team who volunteer an incredible amount of time and energy to young people in the Runcorn area.

The variety of activities on offer are well organised and perfectly suited to the relevant age-group.

The team are also to be commended for keeping the pastoral care and activities going through a variety of social media during the lock-down time.

**HOPE CORNER
ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED MARCH 31 2022**

Oversees Support and Development.

We continue to support Church Charities in India and Uganda.

Covid has had devastating consequences in both countries. Many small village churches have lost their leaders and church members to the pandemic.

We have been privileged to help pay for vital support in these circumstances and contribute to the training of new leaders. Things are now starting to look more positive but much more still needs to be done. By the grace of God we will do our best.

Personal Note

Our Chair writes "I want to offer my personal thanks to our Church Oversight (Elders and Trustees) and our Business Manager who has supported me tirelessly in guiding this charity over the last year. Their wisdom and spiritual insight is outstanding.

Most of all I give thanks to our Lord Jesus Christ who makes 'all things possible'. After all, Hope Corner is HIS work."

FINANCIAL REVIEW

Preamble

For any charity of our size, this is an area that always brings great challenges. We are so grateful for the way all the community family of Hope Corner give sacrificially on a regular basis. Besides those fees paid to our school, the giving of God's people is the backbone of our financial base and despite the pandemic has held up remarkably well. We already know that for every £1 given to Home Corner, the value is increased to around £3 due to the careful way we run the charity (Cinnamon Audit 2015). We are working to increase this value to £4 over the next two years.

Of course we have faced server restrictions on our ability to generate income from hires and the café because of the measures that the Government had to introduce to combat the pandemic.

Overview of financial accounts

This year we report a deficit of £74,787 (last year a surplus of c£45k). This is attributable to a number of factors including the reduction in pupil numbers and the need to replace the lift in our main building. However, we have continued to be able to make our loan repayments and are grateful for the capital repayment holiday which will help our cashflow in 22/23.

We have taken the decision to sell our Church Street premises which will permit us to repay a sizeable proportion of our loan and reduce monthly outgoings. Since the year end we have also been working with the local authorities to increase the number of pupils in the school and thus the level of fee income.

We continue to trust in God to see us through these difficult times and enable us to continue to do the work of the Kingdom.

Risk management summary

We acknowledge the following risks that Hope Corner faces

- Maintaining effective governance and good internal control over the charity's finances
- Prioritising the use of resources to best meet the charity's objectives
- Building a sufficient level of reserves so as to be able to act strategically

Throughout 21/22 and beyond we have continued to improve our financial systems.

Principal funding sources and going concern

The charity presently relies on two major funding sources

- The church membership for their voluntary income
- Local authority income to support the Hope Corner School – this is earned income computed on a per capita basis

The Trustees are taking action to address the causes of the deficit in the year and improve the cashflow of the charity, and are confident that the charity is a going concern

Reserves

Our free reserves (unrestricted funds not invested in fixed assets, otherwise designated or required to meet secured loans due in more than one year) stood at £160k at the year end. We are in the process of determining what the target level should be for free reserves going forward, but we remain strongly committed to ensuring that we are able to meet our loan repayments as they fall due and to have sufficient funds available to maintain our buildings to an appropriate standard, as we continue to work for the Kingdom of God.

**HOPE CORNER
ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED MARCH 31 2022**

FUTURE PLANS

We are heavily investing in staff and volunteer training in order to develop their skills as well as reaching all required profession standards.

We are making sure that potential leaders are ready to take on the challenges of leading this charity into future years.

We are pleased to have young people who are ready to take on various role to fulfil our vision.

We want to offer grateful thanks to the Head Teacher of our school, Maria Houghton, who has worked consistently in this capacity for the last six years and is now moving on.

Our Deputy has stepped into role of headteacher and already has introduced some very positive changes that is enhancing the curriculum and many opportunities for our students.

STRUCTURE GOVERNANCE AND MANAGEMENT

Governing document

The Charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated September 20, 2010. It is registered as a charity with the Charity Commission.

Members of the company

The initial members of the company were the five subscribers to the Memorandum. Four of these five remain in membership. There are various qualification requirements to be met before any person is admitted to membership. Furthermore, the constitution grants the Senior Minister and the majority of existing members with discretion as to whether or not to nominate persons for membership. Provided qualification requirements are met and both the Senior Minister and the majority of existing members have invited candidate members to join the company, the directors (Trustees) have no discretion to refuse admittance to membership.

Members may resign or may be removed by an Ordinary resolution of all members.

There are currently 50 members of the company.

£1 in the event of the charity being wound up.

Appointment of Directors and Trustees

The directors of the company (who are Trustees of the Charity) are appointed as follows

- (a) on the nomination of the Senior Minister, or
- (b) By the members in General Meeting

Directors appointed under (a) above do not retire by rotation

Directors appointed under (b) only serve until the following annual general meeting

The minimum number of directors is three and there is presently no maximum number.

Trustee recruitment, induction and training

There has only been one Trustee appointed following the initial appointments on incorporation. The Senior Minister consults with the broader membership when considering nominations to the Board.

It is the intention to recruit additional Trustees in the next three years. Suitable induction and training will be devised for such recruits.

Related parties and management of conflict of interest

The Trustees are aware of the Charity Commission guidance relating to management of conflict of interest issues.

As disclosed in the notes to the accounts there are a number of related party transactions in connection with the Senior Minister. The charity has established policies to manage conflict of interest issues and these are reviewed periodically.

**HOPE CORNER
ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED MARCH 31 2022**

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial 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 these 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 (FRS 102) (second edition – October 2019);
- 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 charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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.

SMALL COMPANY PROVISIONS AND APPROVAL

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board of Trustees and signed on its behalf by:

Mark Finch

Mark Finch
Chair of Trustees

Date: 7/11/22

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF HOPE CORNER
FOR THE YEAR ENDED MARCH 31 2022**

I report to the charity trustees on my examination of the accounts of the company for the year ended March 31 2021 which are set out on pages 8 to 19.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the company'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 *Institute of Chartered Accountants in England and Wales* (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 that in any material respect:

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

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

Peter Smith

Peter Smith BA FCA DChA

For and on behalf of:
HGA Accountants & Financial Consultants Ltd t/a Chittenden Horley
Chartered Accountants

The Wesley Centre
Royce Road, Hulme
Manchester M15 5BP

Date: 11/11/22



HOPE CORNER
STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account)
FOR THE YEAR ENDED MARCH 31 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
INCOME					
Donations	2	77,311	2,280	79,591	91,040
Charitable activities	3	148,553	-	148,553	224,232
Other trading income	4	12,450	-	12,450	14,075
Other income - surplus on disposal pf property		5,362	-	5,362	-
TOTAL INCOME		243,676	2,280	245,956	329,347
EXPENDITURE					
Costs of raising funds	5	6,779	-	6,779	12,647
Expenditure on charitable activities	6	311,684	2,280	313,964	271,495
TOTAL EXPENDITURE		318,463	2,280	320,743	284,142
NET INCOME/(EXPENDITURE)					
BEFORE TRANSFERS		(74,787)	-	(74,787)	45,205
Transfers between funds		-	-	-	-
Other recognised gains		-	-	-	-
NET MOVEMENT IN FUNDS		(74,787)	-	(74,787)	45,205
TOTAL FUNDS BROUGHT FORWARD	14	707,656	-	707,656	662,451
TOTAL FUNDS CARRIED FORWARD	14	632,869	-	632,869	707,656

The notes on pages 11 to 19 form part of these financial statements.

**HOPE CORNER
BALANCE SHEET AS AT MARCH 31 2022**

	Notes	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Tangible Assets	10		924,974		1,088,058
CURRENT ASSETS					
Assets held for resale	11	146,362		-	
Debtors	11	1,213		2,506	
Cash at Bank and in Hand		39,853		<u>121,440</u>	
		187,428		123,946	
CREDITORS					
Amounts falling due in one year	12	26,978		<u>32,077</u>	
NET CURRENT ASSETS					
			160,450		<u>91,869</u>
			1,085,424		1,179,927
CREDITORS					
Amounts falling due in more than one year	13		452,555		<u>472,271</u>
NET ASSETS					
			632,869		<u>707,656</u>
FUNDS					
Unrestricted					
General fund	14	560,360		470,042	
Revaluation reserve		72,509		<u>237,614</u>	
			632,869		707,656
Restricted	14		-		<u>-</u>
TOTAL FUNDS			632,869		<u>707,656</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

For the year ending March 31 2022, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and no notice has been deposited under section 476 requiring the company to obtain an audit of its accounts for the year in question.

Directors' responsibilities

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

The notes on pages 11 to 19 form part of these financial statements.

Approved by the Board and authorised for issue on 7/11/22

And signed on their behalf by:

Mark Finch

Mark Finch - Director

Company registration number 7386305

**HOPE CORNER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31 2022**

		2022	2021
	notes	£	£
Cash used in operating activities	16	<u>(51,130)</u>	<u>76,520</u>
Cashflows from investing activities			
Purchase of tangible fixed assets		<u>(4,211)</u>	<u>(549)</u>
Cash provided by/(used in) investing activities		<u>(4,211)</u>	<u>(549)</u>
Cashflows from financing activities			
Proceeds from new borrowings - secured loan		-	45,000
Repayment of borrowing - finance lease		-	(5,090)
Repayment of borrowing - mortgage creditor		(26,246)	(11,139)
Repayments of borrowing - unsecured loans		<u>-</u>	<u>(49,515)</u>
Cash used in financing activities		<u>(26,246)</u>	<u>(20,744)</u>
Increase/(decrease) in cash & cash equivalents in the year		(81,587)	55,227
Cash and cash equivalents brought forward		121,440	66,213
Cash and cash equivalents carried forward		<u><u>39,853</u></u>	<u><u>121,440</u></u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		39,853	121,440
		<u><u>39,853</u></u>	<u><u>121,440</u></u>

HOPE CORNER
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2022

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared: under the historic cost convention; in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective January 1 2019 (second edition – October 2019); FRS102; and the Companies Act 2006. The charity constitutes a public benefit entity as defined by FRS102.

The accounts are prepared in £ sterling, which is the functional currency.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The principal accounting estimate that affects these accounts relates to:

The estimated useful lives of fixed assets

Income recognition

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 income receivable can be measured reliably. The following applies to particular types of income:

Grants, whether of a capital or revenue nature, are recognised when the Charity has entitlement to the funds, any performance conditions have been met and it is probable that the income will be received.

Donations from individuals and other bodies (not being of the nature of a grant) are recognised when receivable. Where a donation is contingent upon the performance by the charity of a significant obligation the donation is not recognised until the obligation has been performed.

Donated facilities are recognised on receipt at the value that the charity would be willing to pay to obtain facilities of equivalent economic benefit on the open market, a corresponding amount is then recognised as expenditure in the period of the receipt.

Earned income is measured at the fair value of the consideration received or receivable for services and goods supplied, net of discounts.

Deferred income

Income is only deferred and included in creditors when:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and there is no contractual entitlement to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds including those associated with fundraising activities, managing investments and commercial trading by the subsidiary company.

Charitable activities costs of undertaking the work of charity.

The Charity is not registered for VAT and cannot recover any input tax charged. Costs are stated inclusive of VAT were charged.

Allocation of support costs

Support costs are those functions which assist the work of the Charity either by supporting the delivery of charitable activities or by supporting the generation of funds. They include back office functions, staff costs and professional fees. The basis of allocations is set out in note 5.

HOPE CORNER
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2022

1 ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation

Individual fixed assets costing more than £250 are capitalised at cost and are depreciated over their estimated useful lives (after deducting any residual value) on a straight-line basis as set out below.

Depreciation rates are as follows:

Freehold buildings – Over 50 years

Leasehold buildings – Over 50 years or the period of the lease if shorter

Property fixtures and fittings – Over 20 years

Furniture – Over 10-15 years

Kitchen equipment 7 years

Computer and IT equipment – 4 years

Debtors

Trade and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Financial instruments

The Charity has only basic financial instruments which are initially recorded at cost, and with the exception of investments (as set out above) subsequently measured at their settlement value.

HOPE CORNER
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2022

	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
2 DONATIONS						
Freewill offerings	46,578	-	46,578	43,585	-	43,585
Gift Aid	11,416	-	11,416	10,809	-	10,809
Other donations	2,213	-	2,213	3,734	-	3,734
Grants	-	-	-	-	-	-
HMRC - CJRS	17,104	-	17,104	32,812	-	32,812
Restricted donations	-	2,280	2,280	-	100	100
	<u>77,311</u>	<u>2,280</u>	<u>79,591</u>	<u>90,940</u>	<u>100</u>	<u>91,040</u>

3 INCOME FROM CHARITABLE ACTIVITIES

Church	718	-	718	62	2,500	2,562
School	<u>147,835</u>	<u>-</u>	<u>147,835</u>	<u>221,670</u>	<u>-</u>	<u>221,670</u>
	<u>148,553</u>	<u>-</u>	<u>148,553</u>	<u>221,732</u>	<u>2,500</u>	<u>224,232</u>

Income is analysed as follows:

Church

Grants for Souper Heroes	-	-	-	-	2,500	2,500
Other income	<u>718</u>	<u>-</u>	<u>718</u>	<u>62</u>	<u>-</u>	<u>62</u>
	<u>718</u>	<u>-</u>	<u>718</u>	<u>62</u>	<u>2,500</u>	<u>2,562</u>

School

Local authority fees	<u>147,835</u>	<u>-</u>	<u>147,835</u>	<u>221,670</u>	<u>-</u>	<u>221,670</u>
	<u>147,835</u>	<u>-</u>	<u>147,835</u>	<u>221,670</u>	<u>-</u>	<u>221,670</u>

4 OTHER TRADING INCOME

Catering income	615	-	615	7,358	-	7,358
Room hire	<u>11,835</u>	<u>-</u>	<u>11,835</u>	<u>6,717</u>	<u>-</u>	<u>6,717</u>
	<u>12,450</u>	<u>-</u>	<u>12,450</u>	<u>14,075</u>	<u>-</u>	<u>14,075</u>

HOPE CORNER
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2022

5 COSTS OF RAISING FUNDS	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Direct costs	1,879	-	1,879	7,649	-	7,649
Support costs	4,900	-	4,900	4,998	-	4,998
	6,779	-	6,779	12,647	-	12,647

6 CHARITABLE EXPENDITURE

Church	120,801	2,280	123,081	89,307	2,600	91,907
School	190,883	-	190,883	179,588	-	179,588
	311,684	2,280	313,964	268,895	2,600	271,495

Expenditure is analysed as follows:

	Direct Costs	Direct Salaries	Support Costs	Total
	£	£	£	£
2021/22				
Church	1,238	36,660	85,183	123,081
School	18,968	123,191	48,724	190,883
	20,206	159,851	133,907	313,964
2020/21				
Church	4,097	36,906	50,904	91,907
School	6,814	127,261	45,513	179,588
	10,911	164,167	96,417	271,495

7 SUPPORT & GOVERNANCE COSTS

	Fundraising	Church	School	Total 2022
	£	£	£	£
2021/22				
Property costs	-	42,986	10,746	53,732
Payroll costs	2,113	4,226	14,790	21,129
Administration costs	1,738	3,475	12,163	17,376
Depreciation/disposal gains	1,049	18,840	6,406	26,295
Finance costs	-	14,718	3,680	18,398
Governance costs	-	938	939	1,877
	4,900	85,183	48,724	138,807
2020/21				
Property costs	-	16,835	1,870	18,705
Payroll costs	1,320	2,641	9,241	13,202
Administration costs	1,828	3,657	12,797	18,282
Depreciation/disposal gains	1,200	8,522	19,000	28,722
Finance costs	650	16,644	-	17,294
Governance costs	-	2,605	2,605	5,210
	4,998	50,904	45,513	101,415

Support costs are allocated on the following basis:

Area	Basis
Property costs	Proportional use of property
Administrative costs	Allocation based on staff allocation
Depreciation and finance costs	Allocation of depreciated or financed assets

HOPE CORNER
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2022

8 STAFF INFORMATION

2022

2021

£

£

a Employees

Salaries and wages	168,881	165,625
Employer's pension contributions	3,378	3,282
Employer's NI contributions	8,721	8,462
	<u>180,980</u>	<u>177,369</u>

No employees earned more than £60,000 p.a. in either year.

b Key management personnel

The key management of the charity comprise the trustees and senior staff (as set out on page1).

The trustees do not receive any remuneration for their services as Trustees. The Senior Minister, Mark Finch also serves as an employee of the charity and is one of the two key management personnel.

The total employee benefits, including employer pension and Employers' NI contributions, of the employed key management personnel were as follows:

65,036

65,526

c Average staff numbers

The average number of employees was as follows:-

**Average
number**

**Average
number**

9

9

9 NET INCOME/(EXPENDITURE) BEFORE TRANSFERS (for the Group)

This is stated after charging/(crediting):

£

£

Independent examiners & accountants fees:

Examination	717	700
Accountancy fees	795	776
Depreciation of fixed assets	26,295	28,772
Trustees remuneration	<u>-</u>	<u>-</u>

Number

Number

Trustees claiming expenses in relation to Trustee duties

-

-

HOPE CORNER
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2022

10 TANGIBLE FIXED ASSETS	Freehold	Leasehold		Instruments		
	Land &	Land &	Furniture	equipment	Motor	
	Buildings	Buildings	& fittings	& computers	vehicles	Total
Cost or valuation	£	£	£	£	£	£
As at April 1 2021	950,000	150,000	15,108	41,421	16,700	1,173,229
Additions	-	-	-	4,211	-	4,211
Disposals	-	(150,000)	-	-	-	(150,000)
As at March 31 2022	950,000	-	15,108	45,632	16,700	1,027,440
Depreciation						
As at April 1 2021	48,000	9,000	3,334	16,821	8,016	85,171
Charge for the year	16,000	-	1,209	6,414	2,672	26,295
Eliminated on disposals	-	(9,000)	-	-	-	(9,000)
As at March 31 2022	64,000	-	4,543	23,235	10,688	102,466
Net Book Value						
As at March 31 2022	886,000	-	10,565	22,397	6,012	924,974
As at March 31 2021	902,000	141,000	11,774	24,600	8,684	1,088,058

The freehold and leasehold property was valued at August 1 2018 by Anthony Chadwick MRICS of Hardie Brack Chartered Surveyors.

11 ASSETS HELD FOR RESALE	2022	2021
	£	£
Leasehold property	146,362	-

The charity has taken the decision to dispose of its leasehold property at Church St, Runcorn. The value above is the Trustees' best estimate of the net sale proceeds after all expenses.

11 DEBTORS		
Trade debtors	-	-
Income receivable	1,213	2,506
Sundry debtors and prepayments	-	-
	1,213	2,506

12 CREDITORS falling due within one year		
Trade creditors	4,392	2,689
Other taxes and social security	-	-
Accruals	2,192	2,453
Other creditors	735	746
Finance lease creditor due in one year	-	-
Mortgage repayable in one year	19,659	26,189
Unsecured loans repayable in one year	-	-
	26,978	32,077

13 CREDITORS falling due in more than one year		
Mortgage payable within 2 - 5 years	114,494	117,722
Mortgage repayable in more than 5 years	338,061	354,549
	452,555	472,271

The mortgage is secured by a charge on the freehold and leasehold properties of the Charity. The loan is due to be repaid by 2035. After the year end a capital repayment holiday was agreed for September, October November 2022. Interest is charged at 4.25% (rising from 3.75% at the start of the year).

HOPE CORNER
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2022

14 STATEMENT OF FUNDS

	2020/21				b/f and c/f 31/03/2021 01/04/2021	2021/22			
	01/04/2020	Income	Expenditure	transfers		Income	Expenditure	transfers	31/03/2022
	£	£	£	£	£	£	£	£	£
General fund	420,588	326,747	(277,293)	-	470,042	243,676	(312,493)	159,135	560,360
Fixed asset revaluation reserve	241,863	-	(4,249)	-	237,614	-	(5,970)	(159,135)	72,509
Total unrestricted funds	662,451	326,747	(281,542)	-	707,656	243,676	(318,463)	159,135	632,869
Restricted Funds:									
Donation mortgage payments	-	-	-	-	-	2,280	(2,280)	-	-
Donation overseas missions	-	100	(100)	-	-	-	-	-	-
Souper Heroes	-	2,500	(2,500)	-	-	-	-	-	-
Total restricted funds	-	2,600	(2,600)	-	-	2,280	(2,280)	-	-
	662,451	329,347	(284,142)	-	707,656	245,956	(320,743)	159,135	632,869

Transfers

Net book value leasehold premises, now held for resale

Adjustment for under charge of depreciation in earlier periods

141,000
18,135
159,135

HOPE CORNER
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2022

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Company fund balances at March 31 2022

are represented by:-

Tangible fixed assets

Net current assets

Creditors due in more than one year

Free Reserves:

Net current assets

Unrestricted Funds	Restricted Funds	Total
£	£	£
924,974	-	924,974
160,450	-	160,450
(452,555)	-	(452,555)
632,869	-	632,869
160,450		

Company fund balances at March 31 2021

are represented by:-

Tangible fixed assets

Net current assets

Creditors due in more than one year

Unrestricted Funds	Restricted Funds	Total
£	£	£
1,088,058	-	1,088,058
91,869	-	91,869
(472,271)	-	(472,271)
707,656	-	707,656

16 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net income/(expenditure)	(74,787)	45,205
Add back depreciation	26,295	28,722
Deduct Gain on disposal of fixed assets	(5,362)	-
Decrease/(increase) in debtors	1,293	5,635
Increase/(decrease) in creditors (Exc. Loans)	1,431	(3,042)
Net cash generated from/(used in) operating activities	(51,130)	76,520

17 NET MOVEMENT IN DEBT

	At 31/3/20	cashflows	Loans repaid	loan received	At 31/03/21
	£	£	£	£	£
Cash and cash equivalents					
Cash at bank and in hand	121,440	-	55,341	(26,246)	-
					39,853
Debt					
Mortgage loans	(498,460)	-	26,246	-	(472,214)
	(498,460)	-	26,246	-	(472,214)
Cash and cash equivalents net of debt	(377,020)				(432,361)

HOPE CORNER
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2022

18 TAXATION

The company is a registered charity and is entitled to claim annual exemption from UK corporation tax under sections 466 to 477 of the Corporation Tax Act 2010.

19 CAPITAL COMMITMENTS

The company had no capital commitments at the year end (2021- none)

20 RELATED PARTY TRANSACTIONS

The Chair of Trustees (Rev. Mark Finch) is also the Senior Minister of the Church and is remunerated in this capacity (but not for acting as Trustee). The charity's constitution permits this arrangement. Mr Finch is also closely related to other employees of the charity. During the year his employment benefits were £36,906 (2021 - £33,388).

In 2018/19, Mr and Mrs Finch loaned the charity £45,000 on an interest free basis in order that the charity could repay loans made by an unconnected third party, and this was outstanding as at March 31 2020. During 20/21 this loan was repaid in full as the charity obtained an advance from its existing secured lender.

Mr Matthew Finch, a trustee, is also the Deputy Head of the School, and is remunerated in this capacity but not for acting as a trustee. The Charity's constitution permits this. His wife is employed by the charity and he is the son of the Chair. His employment benefits were £24,446 (2021 - £23,734).

His wife received employment benefits of £ 14,008 (2021 - £13,916).