

NORTH WEST CHURCH RESOURCES

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

NORTH WEST CHURCH RESOURCES

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FOR THE YEAR ENDED 31 AUGUST 2021**

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**LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2021**

DIRECTORS AND TRUSTEES:	M A Pickles A Monk T D Hanson J D Popplewell P D C Eustance A S Lisser
REGISTERED OFFICE:	2 Blackburne Place Liverpool Merseyside L8 7PE
COMPANY NUMBER:	07451704 (England and Wales)
CHARITY NUMBER:	1141078 (England and Wales)
INDEPENDENT EXAMINER:	D S Glover FCA John Kerr - Chartered Accountants 375 Eaton Road West Derby Liverpool Merseyside L12 2AH
BANKERS:	National Westminster Bank Plc Liverpool City Office 2 – 8 Church Street Liverpool Merseyside L1 3BG

NORTH WEST CHURCH RESOURCES**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

The trustees, who are also the directors for the purpose of company law, present their annual trustees' report with the financial statements of the charitable company for the year ended 31 August 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The legal and administrative information set out on page 1 forms part of this report.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and the 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) issued in October 2019.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. The charity relies on the income from rents and charges to cover its operating costs. Affordability and access to our facilities is important to us and is reflected in our pricing policy.

OUR PURPOSES, ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The purposes of the charity are the promotion of the Christian religion through the provision of facilities, resources, education and training to churches, individuals and other charities.

The principal charitable activity undertaken during the period, which reflects our purposes and objectives, was the continuing upkeep and refurbishment of the building at 2 Blackburne Place, Liverpool which we acquired in 2011 and which has been used extensively by Christ Church Liverpool and North West Partnership as well as by other Christian charitable and community groups for the purposes of education, training, worship and outreach.

Following the extensive refurbishment completed in previous years, the trustees have continued to allocate resources towards the maintenance and improvement of facilities where funds allow. In the year under review, this has mainly taken the form of essential maintenance only.

Our facilities and spaces continue to be well used by Christ Church Liverpool, The North West Gospel Partnership, UCCF: The Christian Unions and other Christian Unions based at various universities in Liverpool as well as other local community groups. The courses run by The North West Gospel Partnership have continued to attract participants from all areas of church life keen to improve their knowledge and skills in the areas of ministry and church leadership. The COVID-19 pandemic has curtailed activities since March 2020 and this has led to a significant decrease in income although there has been some recovery during the financial year. The main sources of income from Christ Church Liverpool and North West Partnership (now known as North West Gospel Partnership) have continued throughout the period.

A number of groups have rented our facilities and spaces for educational sessions, missions and leisure uses.

The age and physical state of the building remain as practical and financial challenges. The location remains ideal to achieve the aims of the organisation. The trustees are looking to improve the facilities available. The objective has been to sell the current property and reinvest the funds into an alternative property which would better serve the longer term needs of the organisations that use the premises.

During the reporting year the property has been actively marketed and the trustees have been in negotiations regarding new premises to better serve the needs and future requirements of the organisation. This activity is ongoing.

FINANCIAL REVIEW

The financial activities for the period and financial position of the charitable company are as shown in the annexed financial statements. The charity, with the aid of sound financial management and the support of volunteers continues to provide much needed services. The results show a decrease in net funds to £389,244 (2020: £432,044). This was as expected due to the continued refurbishment and maintenance of the building and facilities. Funds were also impacted by a reduction in income as a result of the COVID-19 pandemic and continues to be a challenge due to the continuing refurbishment and maintenance of the building and facilities.

Fundraising continues to be a priority for the trustees and there is a desire to increase income from the hire of available spaces within the building to assist with the provision of further facilities to further the charitable aims of the organisation. This continues to be a particular focus following the impact of the COVID-19 pandemic which saw a reduction in income due to a loss of rental income. This is now expected to be further impacted by the increase in inflation and significant increases in energy costs.

NORTH WEST CHURCH RESOURCES**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

RESERVES POLICY AND GOING CONCERN

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The trustees consider that the ideal level of reserves after allowing for the resources represented by tangible assets would be in the region of £75,000.

After allowing for the resources represented by tangible fixed assets, the charity had no reserves. This situation is largely attributable to the past operating deficits and the need to finance the interest and debt repayments on the funding loans. The trustees acknowledge the continued financial support of the lenders and consider that adequate resources continue to be available to fund the activities of the charity for the foreseeable future. The trustees are of the view that the charity is a going concern.

PLANS FOR FUTURE PERIODS

Looking to the next year, the Trustees hopes and prayers are that we can continue to use 2 Blackburne Place as an effective resource for Christian education and training, continue to pay down the charity's debts and increase the percentage of time that the building and facilities are occupied and used. In addition we will be looking to progress our plans to move to alternative premises to better align the physical resources available.

TRUSTEES

The trustees during the period, who were appointed by the members in accordance with procedures set out in the Memorandum and Articles, were:

A Monk, T D Hanson, J D Popplewell, M A Pickles, P D C Eustance (appointed 28 January 2021) and A S Lisser (appointed 28 January 2021).

The trustees seek to ensure that the needs of the user groups are appropriately reflected through the diversity of the trustee body. The trustees are familiar with the practical work of the charity and are encouraged to attend regular training and update sessions.

STRUCTURE, GOVERNANCE AND MANAGEMENT

North West Church Resources is a charitable company limited by guarantee governed by its Memorandum and Articles of Association dated 25 November 2010. It was incorporated on 25 November 2010 and registered as a charity on 1 April 2011. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

At any time there must be a minimum of 3 trustees. New trustees are appointed by a ballot of members or by a resolution of the trustees. Their appointment is effective upon completion of the relevant Companies House and Charity Commission paperwork. The trustees meet regularly and are responsible for the strategic direction and policy of the charity. There is a shared responsibility for ensuring that the charity delivers the services specified, that key performance indicators are met and that all appropriate individuals continue to develop their skills and working practices in line with good practice. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

RELATED PARTIES

None of the trustees receive remuneration or other benefit from their work with the charity and any contractual relationship with a related party must be disclosed to the full board of trustees. In the current year, no such related party transactions were reported.

RISK MANAGEMENT

The trustees have a risk management strategy which comprises: an annual review of the principal risks and uncertainties that the charity faces; the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and the implementation of procedures designed to minimise and manage any potential impact on the charity should those risks materialise.

Financial sustainability is the major financial risk for the charity. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due and active management of trade debtors and creditor balances to ensure sufficient working capital is available.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)**

Attention has also been focused on non-financial risks arising from fire, health & safety and hygiene. These risks are managed by ensuring procedures and accreditations are up to date, having robust policies in place, and regular awareness training for those involved.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The charity trustees (who are also the directors of North West Church Resources 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 charitable company will continue on that basis.

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

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

BY ORDER OF THE BOARD OF TRUSTEES:

A Monk - Trustee

10 June 2022

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
NORTH WEST CHURCH RESOURCES**

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 August 2021 which are set out on pages 4 to 8.

This report is made to the charity's trustees, as a body, in accordance with the terms of the engagement. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the trustees, as a body, for my work or for this report.

Responsibilities and basis of report

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

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

Independent examiner's report

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1) accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- 2) the accounts do not accord with those accounting 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.

David S Glover FCA
John Kerr - Chartered Accountants
375 Eaton Road
West Derby
Liverpool
Merseyside
L12 2AH

10 June 2022

NORTH WEST CHURCH RESOURCES

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Year Ended 31.8.2021 £	Year Ended 31.8.2020 £
Unrestricted Funds:		
Income:		
Donations	500	-
Rents and facility charges receivable	28,599	42,130
Investment income: UK interest receivable	-	349
Total income	29,099	42,479
Expenditure:		
Charitable activities – costs of providing and maintaining the facilities	70,615	76,329
Governance costs – examination and accountancy costs	1,284	1,074
Total expenditure	71,899	77,403
Net (expenditure) and net movement in funds for the year	(42,800)	(34,924)
Reconciliation of funds		
Total funds brought forward	432,044	466,968
Total funds carried forward	389,244	432,044

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

NORTH WEST CHURCH RESOURCES**BALANCE SHEET
31 AUGUST 2021**

	Notes	31.8.2021 £	£	31.8.2020 £	£
FIXED ASSETS					
Tangible assets	4		752,327		771,609
CURRENT ASSETS					
Debtors	5	817		23,977	
Cash at bank and in hand		155,258		165,176	
		156,075		189,153	
LIABILITIES					
Creditors falling due within one year	6	9,855		11,176	
NET CURRENT ASSETS			146,220		177,977
TOTAL ASSETS LESS CURRENT LIABILITIES			898,547		949,586
CREDITORS					
falling due after more than one year	7		509,303		517,542
NET ASSETS			389,244		432,044
THE FUNDS OF THE CHARITY					
Unrestricted income funds	8		389,244		432,044
TOTAL CHARITY FUNDS			389,244		432,044

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2021.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 August 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

(a) ensuring that the charitable company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its income or expenditure for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved and authorised for issue by the Board of Trustees on 10 June 2022 and were signed on its behalf by:

A Monk – Trustee

NORTH WEST CHURCH RESOURCES**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021****1. ACCOUNTING POLICIES**

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 the 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) (issued in October 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

Preparation of the accounts on a going concern basis

In preparing the accounts, the trustees have acknowledged and taken account of the continued financial support and patience of the lenders and consider that adequate resources continue to be available to fund the activities of the charity for the foreseeable future. The trustees are of the view that the charity is a going concern.

Income recognition

Items of income are recognised and included in the accounts when all of the following criteria are met: the charity has entitlement to the funds; any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity; there is sufficient certainty that receipt of the income is considered probable; and the amount can be measured reliably. The value of services provided by volunteers has not been included in these accounts.

Expenditure recognition 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 settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Tangible fixed assets

Fixed assets are capitalised at cost and depreciation is provided at the following annual rates in order to write off each asset over its estimated useful economic life on a straight line basis:

Freehold property	- 2% on cost
Fixtures & equipment	- 25% on cost

2. NET EXPENDITURE AND ANALYSIS OF STAFF COSTS AND TRUSTEE REMUNERATION AND EXPENSES

There were no staff costs for the year ended 31 August 2021 nor for the year ended 31 August 2020.

The charity trustees were not paid nor did they receive any other benefits from employment with the charity in the year (2020: £nil) neither were they reimbursed expenses during the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil)

Net expenditure is stated after charging:

	Year Ended 31.8.2021	Year Ended 31.8.2020
	£	£
Depreciation - owned assets	19,282	19,282
Interest on loans	1,814	1,814
Independent Examination and Accountancy fees	1,284	1,074

NORTH WEST CHURCH RESOURCES**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021****3. LEGAL STATUS OF THE CHARITY**

North West Church Resources is a charitable company, limited by guarantee and has no share capital. It is registered in England Wales. The company's registered number and registered office address can be found on Page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

4. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Office equipment £	Totals £
COST				
As at 1 September 2020	959,097	10,145	5,211	974,453
Additions	-	-	-	-
As at 31 August 2021	959,097	10,145	5,211	974,453
DEPRECIATION				
As at 1 September 2020	187,788	10,145	4,911	202,844
Charge for year	19,182	-	100	19,282
As at 31 August 2021	206,970	10,145	5,011	222,126
NET BOOK VALUE				
As at 31 August 2021	752,127	-	200	752,327
As at 31 August 2020	771,309	-	300	771,609

5. DEBTORS

	31.8.21 £	31.8.20 £
Trade debtors	-	-
Prepayments and accrued income	817	23,977
	817	23,977

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21 £	31.8.20 £
Loans	8,238	10,000
Trade creditors	950	789
Accruals	667	387
Other creditors	-	-
	9,855	11,176

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.8.21 £	31.8.20 £
Loans	509,303	517,542

The total amounts repayable by instalments which are payable after five years are £nil (2020: £nil)

NORTH WEST CHURCH RESOURCES**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021****8. RESERVES**

	Unrestricted general funds £
At 1 September 2020	432,044
Income	29,099
Expenditure	<u>(71,899)</u>
At 31 August 2021 represented by net assets	<u>389,244</u>

NORTH WEST CHURCH RESOURCES**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2021**

	Year Ended 31.8.21		Year Ended 31.8.20	
	£	£	£	£
Income:				
Donations		500		-
Other income				
Rents & facility charges	28,599		42,130	
Interest	<u>-</u>		<u>349</u>	
		28,599		<u>42,479</u>
		29,099		42,479
Expenditure:				
Rates, water & permits	3,679		3,778	
Insurances	2,704		2,838	
Light & heat	3,931		9,007	
Telephone & communications	4,138		4,076	
Repairs, maintenance & cleaning	3,266		6,192	
Professional fees	25,684		15,530	
Independent Examination & Accountancy fees	1,284		1,074	
Building & facilities management charges	6,051		13,725	
Statutory filing fees	<u>13</u>		<u>13</u>	
		50,750		<u>56,233</u>
		(21,651)		(13,754)
Finance costs				
Bank charges	53		74	
Loan interest	<u>1,814</u>		<u>1,814</u>	
		1,867		<u>1,888</u>
		(23,518)		(15,642)
Depreciation				
Freehold property	19,182		19,182	
Office equipment	<u>100</u>		<u>100</u>	
		19,282		<u>19,282</u>
Net expenditure		(42,800)		<u>(34,924)</u>