

Amazing Grace - Teesside

Report and Statement of Accounts
for the Year Ended 31 December 2021

“Anderson Barrowcliff LLP Office Copy”

Amazing Grace - Teesside

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Amazing Grace - Teesside

Company Information

Trustees	Dr S Braye - Resigned 23/03/2022 Dr T Gibbons Mr A J P Braye Mr T Broughton
Secretary	Mrs M Braye
Company Number	07763798
Charity Number	1145379
Registered Office	59 Durham Road Middlesbrough TS6 9NA
Bankers	Barclays Bank 1 Churchill Place London E14 5HP
Accountants	Anderson Barrowcliff LLP 3 Kingfisher Court Bowesfield Park Stockton on Tees TS18 3EX

Amazing Grace - Teesside

Report of The Trustees

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

The Charity's objects and its principal activity is the teaching of the bible and assisting in the development of our congregation's faith. It also continues to strive towards the improvement of family and individual wellbeing and the development and monitoring of young people in the area.

ACHIEVEMENTS

In 2021, the charity continued its recovery after the Covid 19 restrictions, with its charity shop becoming established and seeing a positive engagement with the local community.

The church in Stockton, UK (Amazing Grace Teesside) expanded to two services each Sunday, with a Family Service added to allow families to worship and have fun together each week. This has been a huge success for the church and has expanded to the church in Tartu, Estonia (Amazing Grace Tartu). The church in Tartu continues to grow and establish itself in the city. A change of premises during the year was very successful in attracting new families and believers locally.

The charity had successful Ministry trips to Sweden, Spain and Estonia during the year which enabled the leaders to develop strong relationships with local churches.

The Charity showed a deficit on unrestricted funds of £26,631 (2020: £29,685) for the year.

FINANCIAL REVIEW

Reserves Policy

The aim of the Charity is to secure free reserves to the value of around £25,000 per annum that would facilitate international mission growth. At present the reserves do not reach this target and the Trustees are looking at ways of increasing reserves, with an option of opening a second charity shop.

At the year end the Charity had negative free reserves (unrestricted reserves less the amount invested in fixed assets) of £28,390 (2020: £10,555).

During the year we have seen reduced donations due to a smaller congregation than in previous years in the UK church. This is the main contributor to the deficit in unrestricted funds at the year end. We are delighted that the income from our charity shop has increased during the year, however this and the government grants received did not prevent the deficit in unrestricted funds. A further impact of reduced donations is a significant creditor balance at the year end which has been a concern for the trustees. The trustees have been open and transparent with the creditor and are in discussions with them to seek a resolution. If the creditor calls in payment, we would look into short term financing options as well as considering reducing/minimising wages which is by far our largest cost. To protect the charity going forwards, we have chosen to end the lease early for the building used by the UK church. Our short term plan is to hire a hall for our Sunday services which is significantly cheaper than leasing. We have also agreed a lease for a second charity shop in the UK which is due to open late November, with strong income forecasted for 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is constituted as a Company limited by guarantee, without share capital, and is therefore governed by a Memorandum and Articles of Association. It became a registered charity on 10 January 2012.

The Charity is organised so that the Trustees meet regularly to manage the affairs of the charity. A trustee is in charge of the day to day running of the Charity.

Appointment of Trustees

Mr. A. Braye, Dr. T. Gibbons and Mr. T. Broughton continue as trustees.
Dr. S. Braye's appointment as trustee was terminated on 23rd March 2022.

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Amazing Grace - Teesside

Report of The Trustees

TRUSTEES STATEMENT

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission guidance on public benefit. The Charity satisfied the public benefit criteria through its objectives and work done in the year for families and young people.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By Order of the Trustees



Mr A Braye, Trustee

Date: 13/10/2022

Amazing Grace - Teesside

Statement of Financial Activities
(Including Income and Expenditure Account)
for the Year Ended 31 December 2021

		(All Unrestricted)	
	Note	2021	2020
		£	£
INCOME FROM:			
Donations and Legacies	3	93,736	117,386
Other trading activities	4	30,103	11,708
Government grants	5	25,603	5,798
Investment income	6	41	15
Total Income		149,483	134,908
EXPENDITURE ON:			
Charitable activities	8	176,114	164,593
Total Expenditure		176,114	164,593
Net Deficit in Funds		(26,631)	(29,685)
Fund Balance Brought Forward		3,607	33,292
Fund Balance Carried Forward		(23,024)	3,607

The accompanying notes form part of these financial statements

Amazing Grace - TeessideBalance Sheet as at 31 December 2021

	Notes	2021	2020
		£	£
Fixed Assets			
Tangible assets	10	5,366	14,162
Current Assets			
Debtors	11	1,102	2,356
Cash at bank and in hand		1,509	504
		<u>2,611</u>	<u>2,860</u>
Creditors: Amounts falling due within one year	12	<u>(31,001)</u>	<u>(13,415)</u>
Net Current Liabilities		<u>(28,390)</u>	<u>(10,555)</u>
Net (Liabilities) / Assets		<u>(23,024)</u>	<u>3,607</u>
Funds			
Unrestricted		<u>(23,024)</u>	<u>3,607</u>
		<u>(23,024)</u>	<u>3,607</u>

For the year ended 31 December 2021 the Company was entitled to exemption from audit under Section 477 of the Companies Act 2006.

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

The trustees acknowledge their responsibilities for:-

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- 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 surplus or deficit 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.

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

The financial statements were approved by the Board of Trustees on 18/10/2022 and were signed on its behalf by:



Mr T Broughton
Trustee

The accompanying notes form part of these financial statements.

Amazing Grace - Teesside

Notes to the Financial Statements for the Year Ended 31 December 2021

1 STATUTORY INFORMATION

Amazing Grace - Teesside is a private charitable company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found in the Trustees' Report.

The financial statements are presented in the Pound Sterling (£) which is the functional currency of the charitable company and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all years presented unless otherwise stated.

2 ACCOUNTING POLICIES

(a) 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

Amazing Grace - Teesside 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 note.

(b) Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

(c) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

(d) Incoming resources

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.

There is no netting off of expenditure within the accounts.

Donations are credited to income as they are received.

Income from government and other grants, whether capital or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Continued...

2 ACCOUNTING POLICIES - continued

(e) Resources expended

All expenditure is accounted for on an accruals basis and is recognised once there is a legal constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount can be measured reliably. Attributable VAT is included in expenditure and cannot be recovered. Expenditure is classified under the following headings:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities. It includes both costs which can be directly allocated to activities and those costs of an indirect nature necessary to support them.
- Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

(f) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Assets costing less than £500 are not capitalised.

Improvements to property are depreciated over the period of the lease.

Computer equipment is depreciated on a 20% straight line basis.

Fixtures and fittings are depreciated on a 20% straight line basis.

Motor vehicles are depreciated on a 20% straight line basis.

(g) Cash at bank

Cash at bank and cash 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.

(h) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

(i) Creditors

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 after allowing for any trade discounts due.

(j) Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and, therefore, it meets the definition of a charitable company for UK corporation tax purposes.

(k) Operating Leases

Operating lease rentals are charged in the Statement of Financial Activities on a straight line basis over the lease term.

(l) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(m) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that the charity will be able to meet its financial obligations when they become due. The financial review on page 2 gives details of the current and expected financial position. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Continued...

Amazing Grace - Teesside

Notes to the Financial Statements for the Year Ended 31 December 2021

2 ACCOUNTING POLICIES - continued

(n) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

3 DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	93,736	117,386

4 OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Event income	-	428
Charity shop sales	29,459	11,280
Book & tuck shop salesp	644	-
	<u>30,103</u>	<u>11,708</u>

5 GOVERNMENT GRANTS

	2021	2020
	£	£
Coronavirus Job Retention Scheme	25,603	5,798

6 INVESTMENT INCOME

	2021	2020
	£	£
Bank interest	41	15

7 DONATED GOODS, FACILITIES OR SERVICES

Volunteers donate their time to help in various roles across the charity. Prior to the charity shop opening, this had been predominantly helping run church services and events. Since the shop opened, the role of volunteers expanded to include running the shop. There are also a small number of volunteers who help the charity in administration roles.

Amazing Grace - Teesside

Notes to the Financial Statements for the Year Ended 31 December 2021

8 CHARITABLE ACTIVITIES COSTS

	2021	2020
	£	£
Costs directly allocated to activities:		
Payments for pastoral services	20,966	15,050
Food & drink	3,205	1,691
Rent & water	33,366	19,626
Speaker expenses & gifts	-	200
Missionary trips & expenses	8,032	11,794
Alpha costs	308	-
Youth Work costs	1,975	1,195
Wages	62,600	63,170
Social Security	2,202	2,355
Event costs	-	200
	<hr/>	<hr/>
	132,654	115,281
Support costs allocated to activities		
Repairs & maintenance	6,404	8,612
Heat & light	11,138	8,486
Printing, postage, stationery & advertising	967	77
Telephone	800	693
Insurance	3,262	1,319
Travel expenses	1,419	2,629
Sundries	1,253	4,929
Book shops	994	-
Depreciation	12,761	16,819
Loss on sale of fixed assets	160	-
Computer expenses	2,086	1,720
Bank charges	940	584
Foreign exchange losses	22	-
Donations	101	-
	<hr/>	<hr/>
	42,307	45,868
Governance costs		
Legal fees	13	2,304
Independent Examiners fee	1,140	1,140
	<hr/>	<hr/>
	1,153	3,444
Total expenditure on charitable activities	<hr/>	<hr/>
	176,114	164,593
	<hr/>	<hr/>

9 STAFF COSTS

	2021	2020
	£	£
Wages & salaries	62,600	63,170
Social Security costs	2,202	2,355
	<hr/>	<hr/>
	64,802	65,525
	<hr/>	<hr/>

The average monthly number of employees during the year was 2 (2020 : 2).

No employees received emoluments in excess of £60,000.

Amazing Grace - Teesside

Notes to the Financial Statements for the Year Ended 31 December 2021

10 TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Computer Equipment £	Improvements to Property £	Motor Vehicles £	Total £
At 1 January 2021	13,143	23,553	95,044	700	132,440
Additions	-	859	3,666	-	4,525
Disposals	-	-	(95,044)	(700)	(95,744)
At 31 December 2021	13,143	24,412	3,666	-	41,220
Depreciation					
At 1 January 2021	10,716	20,625	86,797	140	118,278
Charge for Year	1,313	1,980	9,468	-	12,761
Eliminated on Disposal	-	-	(95,044)	(140)	(95,184)
At 31 December 2021	12,029	22,605	1,222	-	35,855
Net Book Value 31 December 2021	1,114	1,807	2,445	-	5,366
31 December 2020	2,427	2,928	8,247	560	14,162

11 DEBTORS

	2021 £	2020 £
Other debtors	1,102	2,356

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	27,385	6,014
Accruals	2,041	5,821
Other taxes and social security	1,575	1,580
	31,001	13,415

13 LEASING COMMITMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	-	4,583
	-	4,583

The total lease payments recognised as an expense in the Statement of Financial Activities were £4,589 (2020: £10,000).

Amazing Grace - Teesside

Notes to the Financial Statements for the Year Ended 31 December 2021

14 TRUSTEE REMUNERATION AND EXPENSES

Mr A Braye received £6,675 (2020: £6,800) for pastoral services provided.

Expenses totalling £1,777 (2020: £1,642) were paid to Mr A Braye.

No other trustee expenses or remuneration were paid.

15 RELATED PARTY TRANSACTIONS

There were no related party transactions in the period which require disclosure.

Amazing Grace - Teesside

Independent Examiner's Report to the Trustees of Amazing Grace - Teesside

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2021.

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").

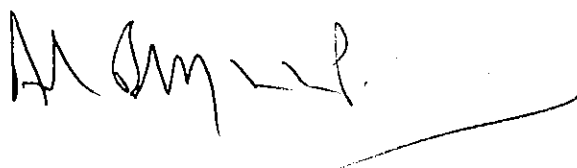
Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2016 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). 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 statement

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 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.



D J Robertson
Partner
Anderson Barrowcliff LLP
Chartered Accountants
3 Kingfisher Way
Bowesfield Park
Stockton on Tees
TS18 3EX

21 October 2022