

# **Neighbourhood Church**

*(a company limited by guarantee)*

## **Report and Financial Statements**

**Year ended 31 December 2020**

# Neighbourhood Church

## Company Information

---

### Contents

### Page

Trustees' report	2
Independent examiner's report	8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11

### Administration

Registered office	The Hall Cromwell Road Beckenham Kent BR3 4LW
Charity registration number	1146886
Company registration number	7990543
Governing document	Memorandum and Articles of Association Dated 14 March 2012
Trustees and directors	Ben Edge Brian R Nunes Miranda Thomas James Webb ( <i>appointed 20 September 2020</i> )
Key management	Simon Lang
Bankers	Lloyds TSB
Independent examiners	Lourens du Plessis ACA CA(SA) Stewardship 1 Lamb's Passage London EC1Y 8AB

# Neighbourhood Church

## Trustees' report for the year ended 31 December 2020

---

The trustees are pleased to present their report together with the financial statements for the year ended 31 December 2020.

### **Status and Governing Document**

Neighbourhood Church, a charitable company limited by guarantee, was constituted by Memorandum & Articles of Association on 14 March 2012.

### **Trustees and Directors**

The trustees, who are also directors of the company, throughout the period and at the date of approval were:

Ben Edge

Brian R Nunes

Miranda Thomas

James Webb (*appointed 20 September 2020*)

The powers of appointment or removal of trustees/directors rests with the trustees/directors.

### **Objects**

The primary objects of Neighbourhood Church, for public benefit, are to advance the Christian faith, in accordance with our Statement of Faith, in the London Borough of Bromley and in such other parts of the United Kingdom and the world as the trustees may from time to time think fit. The church will also fulfil such other purposes which are exclusively charitable, according to the law of England and Wales, and are connected to the charitable work of the charity, as the trustees may from time to time think fit.

### **The Church: Its Aims and Objectives**

Neighbourhood Church is a small and growing local church based in Beckenham, South East London, rooted in orthodox Christian faith. We subscribe to the ancient Apostles' Creed and to the Evangelical Alliance's Statement of Faith.

With a desire to be welcoming, informal and 'real', we provide a place for people to meet at whatever stage of their faith journey. Comprising a mix of all ages, Neighbourhood Church meets every Sunday as a large gathering and also in small groups throughout the week. Encouraging people to grow in their Christian faith, we provide a variety of learning opportunities. With a heart for the local community, Neighbourhood Church seeks ways to serve people and meet needs.

Our vision is to be a church made up of a growing number of people who are seeking, sharing and living out their Christian faith in a way that brings blessing to people and communities around them. Our members live out their faith where they live, where they work and with the people they encounter, having a positive impact on wider society.

Neighbourhood Church is organised and directed by the leadership team and the trustees. The trustees administer the church in accordance with its Memorandum & Articles of Association dated 14 March 2012 and with regard to meeting the needs for which it was set up. They are also responsible for helping Neighbourhood Church to comply with applicable law and regulations. The trustees have overall financial responsibility for the church.

# Neighbourhood Church

## Trustees' report for the year ended 31 December 2020 (continued)

---

### **The Church: Its Aims and Objectives (*continued*)**

The leadership team take on responsibility for the day-to-day outworking of the vision and mission of the church. They are responsible for the spiritual oversight of the church, its activities and teaching. The leadership team is made up of the pastor of Neighbourhood Church and volunteers who are committed members of Neighbourhood Church who share in, and own, the beliefs, vision, values and ethos of the church.

### **The Year in Review**

The church continued to run its usual weekly activities up until mid-March 2020, when due to the coronavirus pandemic and the introduction of social distancing measures, all face to face activities were suspended and the church building was closed. Sunday services, mid week small groups and prayer meetings have continued to meet online.

### Teaching

Teaching in line with the church's beliefs and statement of faith continued to occur on Sundays and in mid-week groups. From the end of March, the leadership team quickly adapted their usual style of teaching; making the most of the available technology, all Sunday gatherings and mid-week groups were led over Zoom.

### Community Activities

Neighbourhood Church continued serving the local community in the following different ways, up until the closure of the building in March:

Songbirds, a music group for young children and their carers, met twice per week. The group aims to meet a need in the community for low-cost activities for young children and a place for carers to meet.

The church also runs a 'Coffee Shop' one morning per week which is a place for local people to meet and socialise.

The church rents the building to outside organisations for activities which further benefit the community. Those activities included the NCT Breastfeeding Café, NHS Baby Clinics, a Bumps & Babies playgroup, a children's choir, an adult choir, first aid classes, sewing classes and the building was used as a polling station for government elections.

The church is a collection centre for a local food bank which seeks to provide individuals and families in need with food and toiletries. In the run up to Christmas we advertised a special 'Christmas Bag Appeal' to church members and the local community; the food bank was greatly encouraged by our large contribution.

In March, three members of the church ran a Christians Against Poverty (CAP) course in conjunction with another local church. The CAP course teaches a money management system that enables people to take control of their finances, by learning to budget, save and spend well.

### Outreach

The church ran one 'Alpha' course starting in January 2020. Alpha is a specific way of introducing non-Christians to the Christian faith and giving them an opportunity to ask questions in a friendly and relaxed setting. The course was attended by church members, their friends and people from the community.

The church did not hold any other specific outreach activities/courses during the year, however all church run activities have the intention of building relationships in the community and potentially have the benefit of introducing people to the Christian faith.

# Neighbourhood Church

## Trustees' report for the year ended 31 December 2020 (continued)

---

### **The Year in Review (*continued*)**

#### Church Giving

The church gave money to people in need within the community and outside it, as deemed appropriate by the trustees and the leadership team.

### **Plans for the New Year**

The key aims and objectives for the church will remain the same for the coming year.

In January 2020, the church hired a second member of staff, a part-time youth and families worker, Ike Ekwueme. Ike worked hard in his short time with us to build relationships and develop a youth group amongst our young people; he then left Neighbourhood Church in August, moving on to pursue other interests.

After prayerful consideration, the church then sought to hire an assistant pastor. Daniel Leeves was appointed in January 2021, taking on specific responsibility for overseeing youth and family ministry within the church, and also being fully involved in the wider life of the church.

Whilst online teaching has been a good substitute for meeting in person, a key priority for 2021 will be to resume all of the face to face activities which are regularly held in the building and we look forward to once again meeting in person for our Sunday gatherings.

A further priority for 2021 is to develop plans for accommodating our continued growing numbers. We've reached the capacity of our building and the leadership team are exploring other options.

### **Financial Review**

Despite the inevitable impact of the coronavirus pandemic, the trustees were pleased with the charity's financial results for the year. Rental income, the church's second main source of income after giving, was less than one third of its budgeted amount for the year. However the impact of this loss of income was mitigated by generous giving over and above what was anticipated in the 2020 budget, and a reduction in general expenses as many church activities ceased running from April and the church building was no longer used. Total incoming resources for the year were £93,964 (2019- £377,648 of which £280,000 related to the donated building); total resources expended for the year were £87,379 (2019- £84,928); and, total free reserves (total reserves less restricted reserves and fixed assets) were £ 53,642 (2019- £50,375). Further details of the financial results can be seen in the Statement of Financial Activities (SOFA) on page 9.

As of March 2021, the current coronavirus pandemic situation is still affecting the economic climate in the UK. The trustees are aware of the impact this may have on Neighbourhood Church and its ability to continue in the foreseeable future. As a precaution, the trustees and the leadership team have reviewed different budget scenarios and are satisfied that Neighbourhood Church is still viable financially for the foreseeable future. At the present time, member giving has remained consistent and as a whole the trustees see no reason for this to change drastically. There is no rental income at the moment, however we anticipate that as social distancing measures are eased some of this will return, and the church's reserves can be relied upon until this time if necessary.

# Neighbourhood Church

## Trustees' report for the year ended 31 December 2020 (continued)

---

### Risk Management

The church is exposed to various risks - be they operational, financial or reputational. The trustees review the church's activities regularly to identify significant risks and, where possible, they take appropriate measures to mitigate those risks. All major insurable risks are mitigated with normal churches' and employers' liability insurance.

### Public Benefit

In planning the activities of the church, the trustees have applied the guidance on public benefit issued by the Charity Commission. To ensure the church remains compliant, the objectives and aims of the church are reviewed annually in light of the Commission's two key principles of public benefit:

1. there must be an identifiable benefit or benefits, and
2. that benefit must be for the public, or a section of the public.

The trustees believe the church has fulfilled their public benefit by:

- providing a place of public worship on Sunday mornings;
- teaching on Sundays and at mid-week groups on how the Bible says Christians should live, promoting responsible and moral lives;
- discipling people through one-on-one study and via 'living our lives together' to assist in character development and reduced selfish/anti-social behaviour;
- regular church activities held for the community's benefit such as Songbirds and one-off activities which build community spirit and awareness (e.g. Christmas carol service and a community Christmas tree); and
- making the church building available to the community for rent and to be used for meetings which promote community awareness (e.g. Neighbourhood Watch, school meetings, charity coffee morning).

### Reserve Policy

The trustees of Neighbourhood Church along with the leadership team have formed a reserve policy which they believe reflects wise stewardship of the generosity of the congregation and of the church's other income, and is in accordance with the charity law requirement that income received by a charity must be spent within a reasonable timeframe and that trustees should be able to justify holding income as reserves.

There are three components to the church's reserves: one being money set aside to cover ongoing church costs in the event of an unexpected loss of income or an unexpected increase in regular running costs, the second component is money set aside for a specific future project and the third is a more general amount set aside to safeguard the church against unforeseen events.

# Neighbourhood Church

## Trustees' report for the year ended 31 December 2020 (continued)

---

### **Reserve Policy (*continued*)**

The church receives no guaranteed income. However, we have been blessed by very faithful and generous givers; at the end of 2020 we had 29 regular contributing individuals/family units (2019- 25). However, out of that 7 individuals/family units contribute approximately 50% of our average monthly giving. Therefore, as our giving is not spread as widely as it may be in other churches and we are more reliant on specific monthly donations, the trustees and leadership team have agreed that it's reasonable to strive to keep in our general reserves three months of our average monthly expenses, approximately £24,000. We also anticipate that at sometime in the future the roof of the building will need to be repaired- with this in mind we plan to set aside £2,000-£3,000 per year as funds will allow, to help with the cost of this repair when it is needed. And finally, it was agreed that the reserves should also include a lump sum to cover any unforeseen events; this amount was agreed at £5,000. Therefore, the trustees and the leadership team have agreed that the total free reserves (total reserves less restricted funds and fixed assets) at the year end 31 December 2020 of £53,642 (2019- £50,375) are reasonable. This policy will be reviewed annually.

### **Responsibilities of Trustees Under Company Law**

The trustees 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 the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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 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.

The trustees are responsible for the maintenance and integrity of the information included on the church website.

# Neighbourhood Church

## Trustees' report for the year ended 31 December 2020 (continued)

---

### Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

Signed on behalf of the trustees:

B Nunes (chair)  
Trustee

Date: 29 August 2021

Charity number: 1146886  
Company number: 7990543



**INDEPENDENT EXAMINER'S REPORT  
TO THE TRUSTEES OF**

**NEIGHBOURHOOD CHURCH  
(‘the Company’)**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020 on pages 9 to 17 following, which have been prepared on the basis of the accounting policies set out on page 11.

**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 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.

Lourens du Plessis ACA CA(SA)

7 September 2021

For and on behalf of:  
Stewardship  
1 Lamb's Passage  
London, EC1Y 8AB

# Neighbourhood Church

## Statement of Financial Activities including an Income and Expenditure Account for the year ended 31 December 2020

	Notes	2020			2019		
		Unrestricted funds	Restricted funds	Total	Total	Unrestricted funds	Restricted funds
		£	£	£	£	£	£
<b>Incoming Resources</b>							
Incoming resources from generated funds:							
Voluntary income	3a	77,615	7,233	84,848	349,429	346,775	2,654
Activities for generating funds	3b	6,948	-	6,948	21,490	21,490	-
Investment income		13	-	13	13	13	-
Incoming resources from charitable activities	4	2,154	-	2,154	6,716	6,106	610
Total incoming resources		86,731	7,233	93,964	377,648	374,384	3,264
<b>Resources Expended</b>							
Charitable activities	5a	(83,464)	(3,915)	(87,379)	(84,928)	(81,294)	(3,634)
Total resources expended		(83,464)	(3,915)	(87,379)	(84,928)	(81,294)	(3,634)
<b>Net Incoming/(Outgoing) Resources for the Year</b>		3,266	3,318	6,585	292,720	293,090	(370)
Funds at 1 January 2020		330,375	-	330,375	37,655	37,285	370
<b>Funds at 31 December 2020</b>		333,641	3,318	336,960	330,375	330,375	-

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

All incoming resources and resources expended derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account required by the Companies Act 2006.

*The notes on pages 11 to 17 form part of these financial statements.*

# Neighbourhood Church

## Balance Sheet as at 31 December 2020

	Notes	2020 £	2019 £
<b>Fixed Assets</b>			
Tangible assets	8	280,000	280,000
<b>Current Assets</b>			
Sundry debtors	9	5,373	4,115
Cash at bank and in hand		53,446	48,464
		<u>338,819</u>	<u>332,579</u>
<b>Current Liabilities</b>			
Sundry creditors	10	(1,859)	(2,204)
<b>Net Assets</b>		<u>336,960</u>	<u>330,375</u>
<b>Unrestricted Funds</b>			
General funds	12	38,641	37,375
Designated funds	12	295,000	293,000
<b>Restricted Funds</b>	12	3,318	-
<b>Total Funds</b>		<u>336,960</u>	<u>330,375</u>

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

For the year ending 31 December 2020, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006, however, in accordance with Section 145 of the Charities Act 2011, the accounts have been examined by an independent examiner and their report has been included in these financial statements.

The directors (who are the charitable company's trustees for the purposes of charity law) acknowledge their responsibilities for:

- ensuring that the charitable company keeps accounting records which 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 net 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.

These financial statements were approved by the trustees on 29 August 2021 and signed on their behalf by:

B Nunes (chair)  
Trustee

Charity number: 1146886  
Company number: 7990543

*The notes on pages 11 to 17 form part of these financial statements.*

# Neighbourhood Church

## Notes forming part of the financial statements for the year ended 31 December 2020

---

### 1 Statutory Information

The church is a charitable company limited by guarantee and is incorporated in the United Kingdom. The company's registered number and registered office address can be found on the Company Information page.

### 2 Accounting Policies

These financial statements are prepared on a going concern basis, under the historic cost convention (unless otherwise stated in the notes to the accounts), and 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 (FRS 102) ("the Charities SORP"), with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), with the Companies Act 2006 and with the Charities Act 2011. The church meets the definition of a public benefit entity as set out in FRS 102.

The following are the accounting policies which have been applied in dealing with material items:

#### a) **Going concern**

The trustees (who are the charitable company's directors for the purposes of company law) have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the church to continue as a going concern. The trustees have made this assessment, taking into account the impact of Covid-19, for a period of at least one year from the date of approval of the financial statements. Based on the adequacy of the church's reserves as at the balance sheet date, along with their knowledge of the church's ability to meet bills, payments and other liabilities as they fall due, the trustees have a reasonable expectation that the church has sufficient resources to continue in operational existence for the foreseeable future. The accounts have therefore been prepared on the going concern basis, as there are no material uncertainties about the church's ability to continue.

#### b) **Cash flow statement**

The trustees have taken advantage of the exemption in FRS 102 (section 1A Small Entities) and in the Charities SORP (FRS 102) from including a cash flow statement in the financial statements on the grounds that the company is small (by the definition stated in the Charities SORP (FRS 102)).

#### c) **Company status**

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

#### d) **Fund accounting**

Restricted funds are those received for use on specified purposes. Expenditure which meets those criteria is allocated to that fund.

Unrestricted funds are those received or generated that can be used for the general purposes of the church.

Designated funds are unrestricted funds which have been designated for specific purposes by the trustees, for necessary work in connection with on-going provision of services.

#### e) **Incoming resources**

Donated (voluntary) income without conditions attached is taken into account when received by the church.

Income received in circumstances where a claim for repayment of tax has been or will be made to the HM Revenue & Customs is grossed up for the tax recoverable. Any amount of tax not yet reclaimed from HM Revenue & Customs is shown within the church's debtors.

# Neighbourhood Church

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

---

## 2 **Accounting Policies (continued)**

### e) **Incoming resources (continued)**

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with.

All other income is included in the SOFA when the church is legally entitled to the income.

Facilities, services and goods donated for the charity's own use are recognised as income when receivable at their value to the charity. Donated fixed assets are capitalised.

The charity has relied significantly upon volunteers in carrying out its activities during the year. In accordance with paragraph 6.18 of the SORP, the role of volunteers has not been recognised as income from donated services in the accounts.

### f) **Resources expended**

Expenditure directly related to the charitable activities shown in note 5a is recognised on an accruals basis as the liability is incurred.

Church giving is recognised as expenditure at the earlier of when it is paid or when it is committed to the recipient in a manner which is intended to be acted upon.

### g) **Governance costs**

The governance costs are those costs which related to the general running of the church as opposed to the direct management functions inherent in generating funds. These activities provide the governance infrastructure which allows the church to operate and to generate the information required for public accountability.

### h) **Support costs**

Support costs are costs which whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity.

### i) **Fixed assets**

Items purchased or donated for the charity's own use are capitalised when the cost of purchased items, or the fair value of donated items, is more than £500 and the item is expected to benefit the charity over more than one accounting period. Depreciation is charged on a straight line basis so as to write down the value of each asset to its estimated residual value (if any) over its expected useful economic life. To achieve this objective the following rates of depreciation are charged:

Freehold land	Is not depreciated (because it is not consumed by use)
Freehold buildings	Over 50 years after taking account of the building's residual value, unless both the annual depreciation charge and the accumulated depreciation are immaterial to the financial statements
Equipment	Over 3 to 7 years

### j) **Pension costs**

The company operates a defined contribution scheme. Pension premiums are charged as they are paid. The assets of the scheme are held separately from those of the church in an independently administered fund.

### k) **Taxation**

The company is a registered charity; it has taken advantage of the various reliefs from taxation available to charities and no tax is payable on the charity's income.

# Neighbourhood Church

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 3 Incoming Resources from Generated Funds

	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
a) <b>Voluntary income</b>				
These comprise:				
Offerings and other gifts	77,615	7,233	84,848	69,429
Donations in kind- donated facilities	-	-	-	280,000
	77,615	7,233	84,848	349,429

The donated facilities comprise the Neighbourhood Church building which was given to the charity during 2019, for its own use.

## b) Activities for generating funds

Hall rental income	6,948	-	6,948	21,490
--------------------	-------	---	-------	--------

## 4 Incoming Resources from Charitable Activities

	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
Songbirds (children's music group)	582	-	582	1,945
Coffee shop	1,000	-	1,000	3,131
Community events	573	-	573	1,640
	2,154	-	2,154	6,716

## 5 Resources Expended

### a) Charitable activities

An analysis of the charitable activities and their expenditure is as follows:

	Activities undertaken directly £	Support costs (note 5b) £	Total 2020 £	Total 2019 £
Teaching and pastoral work	33,513	3,877	37,390	34,821
Evangelism (including Alpha)	1,020	-	1,020	556
Children's work	6,262	775	7,037	7,466
Community activities and church gatherings	27,197	3,102	30,299	30,283
Church giving (to institutions and individuals see Note 5d)	11,633	-	11,633	11,803
	79,625	7,754	87,379	84,928

# Neighbourhood Church

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 5 Resources Expended (continued)

### b) Support costs

The allocation of support costs has been based on the estimated time the church spends on any given activity. The overall allocation is as follows:

	Teaching	Children	Community activities	Total 2020	Total 2019
	£	£	£	£	£
Governance costs	986	197	788	1,971	1,783
Stationery and supplies	734	147	587	1,467	1,799
Insurance and memberships	1,903	381	1,522	3,805	4,063
Payroll administration fee	256	51	204	511	490
	<u>3,877</u>	<u>775</u>	<u>3,102</u>	<u>7,754</u>	<u>5,209</u>

### c) Governance costs

Included in the total governance costs of £1,971 (2019- £1,783) is the payment of £900 (2019- £798) to Stewardship for the independent accounts examination, solicitor's fees for the transfer of *The Hall Evangelical Trust* building to Neighbourhood Church (2019 only) and the payment to The Church Growth Trust for a building feasibility study (2019 only).

### d) Church Giving

The church gave money throughout the year in the following way, as deemed appropriate by the leadership team or when gifts were given for specific people/charities:

	2020			2019		
	Institutions	Individuals	Total	Institutions	Individuals	Total
	£	£	£	£	£	£
Missionary Support	6,000	-	6,000	4,125	-	4,125
Relief of Poverty	1,195	4,438	5,633	2,360	3,959	6,319
Support of Social Care	-	-	-	1,359	-	1,359
	<u>7,195</u>	<u>4,438</u>	<u>11,633</u>	<u>7,844</u>	<u>3,959</u>	<u>11,803</u>

The church's principal grants to institutions comprised:

	2020	2019
	£	£
InterChristian Fellowships' Evangelical Mission (IcFEM)	6,000	4,125
Tearfund	-	1,100
	<u>6,000</u>	<u>5,225</u>

### e) Staff costs

There were two employees during the period, one full time and one part-time (2019- one full-time employee). The full-time employee was a member of the key management team and their gross remuneration amounted to £40,000 (2019- £40,000), employers' national insurance costs were £1,082 (2019- £1,336) and a contribution of £3,600 (2019- £3,600) was made to the employee's pension plan.

# Neighbourhood Church

## Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

### 6 Acting as Agent

On occasion the charity receives money on behalf of other charities or individuals, which it banks and then pays out to these charities or individuals. This income is received as agent for these other charities or individuals and the income, and the related payments, are excluded from the Statement of Financial Activities; any money that has not been distributed by the year end is recognised as a creditor.

During the year the charity acted as agent for an individual and, in that capacity, received and paid out £410 (2019: £1,000).

### 7 Trustee Expenses

No remuneration or expenses was paid to any trustee, nor to any person connected to them, either during the year or the preceding year.

### 8 Fixed Assets

During the prior year, *The Hall Evangelical Church Trust* donated the *Hall Evangelical Church* building to Neighbourhood Church. The church has had sole use, rent free, of the land and building since 2011. The trustees of Neighbourhood Church have been unable to obtain a reasonable historic cost value of the land and building as the original purchase was in 1925 and no records can be found.

The land has little commercial value due to the schedule of restrictive covenants held on the Register of Title. Since 2011 Neighbourhood Church has made multiple applications for planning permission to extend the building which have been denied by the council. Taking this into consideration the trustees have decided that it would be inappropriate to include a value for the land in these accounts, as without any developmental potential the land is virtually worthless.

The trustees have agreed not to have the building professionally valued as they do not believe the benefit of the valuation would outweigh the cost. The SORP states that donated facilities should be measured at their value to the charity.

Neighbourhood Church uses the building for meeting on Sundays, mid-week gatherings, church-run groups which benefit the community and for rental purposes which raise funds for the church. The trustees, after taking into account that the local planning authorities have not granted any of the formal planning requests made to extend the building, have made an assessment of the value of the building to be £280,000 and have insured it for this amount.

The trustees plan to keep the building in good working order and therefore anticipate a high residual value. No depreciation is provided on the building as the currently estimated residual value of the property is not less than its carrying value and the remaining useful life of the building currently exceeds 50 years, so that any annual depreciation charge and the accumulated depreciation would be immaterial.

An impairment review will be carried out at each year-end by the trustees and any resultant loss identified included in expenditure for the year.

The church did not acquire any other fixed assets during the year.

	Freehold Building £
Cost (or valuation)	
At 1 January 2020	280,000
Additions	-
Gains / (losses) on revaluation	-
Disposals	-
At 31 December 2020	<u>280,000</u>



# Neighbourhood Church

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 9 Sundry Debtors

Debtors comprise the following amounts receivable:

	2020	2019
	£	£
Gift aid recoverable	5,373	3,335
Sundry debtors	-	780
	<u>5,373</u>	<u>4,115</u>

## 10 Sundry Creditors

The sundry creditors are short term creditors comprising the following amounts payable:

	2020	2019
	£	£
Ordinary suppliers	-	1,354
Accruals	1,859	850
	<u>1,859</u>	<u>2,204</u>

## 11 Related Parties

In total, the trustees, their related parties and the church's key management personnel contributed £14,845 (2019- £16,065) to the church during the year. Fees payable to Stewardship, other than for the independent examination, were for the payroll bureau services and totalled £511 (2019- £490).

## 12 Funds

During the year the movements in the church's funds were as follows:

	Opening balance 2020	Incoming resources 2020	Outgoing resources 2020	Transfers in the year 2020	Closing balance 2020
	£	£	£	£	£
<b>Restricted Funds</b>					
Welfare fund	-	5,456	(2,138)	-	3,318
Giving	-	1,777	(1,777)	-	-
	<u>-</u>	<u>7,233</u>	<u>(3,915)</u>	<u>-</u>	<u>3,318</u>

During the year the church set up a specific fund which is used to help individuals and families who are struggling financially on a short-term basis. Members of the church give specifically into this fund and money is paid out to recipients as and when it's deemed appropriate by the leadership team. The restricted giving received during the year related to donations received specifically for an IcfEM Covid relief project.

### Designated Funds

Roof maintenance	8,000	-	-	2,000	10,000
Unforeseen events	5,000	-	-	-	5,000
Fixed assets- building	280,000	-	-	-	280,000
	<u>293,000</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>295,000</u>
<b>General Funds</b>	<u>37,375</u>	<u>86,731</u>	<u>(83,464)</u>	<u>(2,000)</u>	<u>38,641</u>
<b>Total Funds</b>	<u>330,375</u>	<u>93,964</u>	<u>(87,379)</u>	<u>-</u>	<u>336,960</u>

# Neighbourhood Church

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

## 12 Funds (continued)

The assets and liabilities represented by the various funds are as follows:

	<b>Unrestricted Funds</b>			<b>Total</b>
	<b>General funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	-	280,000	-	280,000
Debtors	5,373	-	-	5,373
Cash at bank and in hand	35,128	15,000	3,318	53,446
Creditors	(1,859)	-	-	(1,859)
	<b>38,642</b>	<b>295,000</b>	<b>3,318</b>	<b>336,960</b>

In the previous year the movements in the church's funds were as follows:

	<b>Opening balance</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>Transfers in the year</b>	<b>Closing balance</b>
	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted Funds</b>					
Events	370	610	(980)	-	-
Giving	-	2,654	(2,654)	-	-
	<b>370</b>	<b>3,264</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Designated Funds</b>					
Roof maintenance	6,000	-	-	2,000	8,000
Unforeseen events	5,000	-	-	-	5,000
Fixed assets- building	-	280,000	-	-	280,000
	<b>11,000</b>	<b>280,000</b>	<b>-</b>	<b>2,000</b>	<b>293,000</b>
<b>General Funds</b>	<b>26,285</b>	<b>94,384</b>	<b>(81,294)</b>	<b>(2,000)</b>	<b>37,375</b>
<b>Total Funds</b>	<b>37,655</b>	<b>377,648</b>	<b>(84,928)</b>	<b>-</b>	<b>330,375</b>

In the previous year, the assets and liabilities of the various funds were as follows:

	<b>Unrestricted General funds</b>	<b>Unrestricted Designated funds</b>	<b>Restricted funds</b>	<b>Total 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	-	280,000	-	280,000
Debtors	4,115	-	-	4,115
Cash at bank and in hand	35,464	13,000	-	48,464
Creditors	(2,204)	-	-	(2,204)
	<b>37,375</b>	<b>293,000</b>	<b>-</b>	<b>330,375</b>