

Neighbourhood Church

(a company limited by guarantee)

Report and Financial Statements

Year ended 31 December 2021

Neighbourhood Church

Company Information

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 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 James Webb Miranda Thomas (<i>resigned 21 April 2022</i>)
Key management	Simon Lang Daniel Leeves
Bankers	Lloyds TSB
Independent examiners	Lourens du Plessis Stewardship 1 Lamb's Passage London EC1Y 8AB

Neighbourhood Church

Trustees' report for the year ended 31 December 2021

The trustees are pleased to present their report together with the financial statements for the year ended 31 December 2021.

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 (*resigned 21 April 2022*)

James Webb

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 2021 (continued)

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

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

The Year in Review

Due to the continuation of the coronavirus pandemic, Sunday services, mid-week small groups and prayer meetings continued to meet online exclusively until June 2021, after which time the church began a phased reopening of in-person activities. From September 2021, those who felt able were encouraged to return to meeting in person on Sundays, across two morning gatherings.

Teaching

Teaching in line with the church's beliefs and statement of faith continued to occur on Sundays and in mid-week groups, all remaining online for the first half of the year. In June, as restrictions permitted, in-person meetings began to slowly reopen. Having realised the benefit of sometimes meeting online, the church continues to stream their Sunday gatherings and one mid-week small group continues to meet online for those who find this format beneficial.

Community Activities

From September 2021, Neighbourhood Church resumed their in-person presence in the local community in the following ways:

Songbirds, a music group for young children and their carers, was re-introduced with two sessions on a Monday morning. 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 rents the building to outside organisations for activities which further benefit the community. Those activities currently include the NCT Breastfeeding Café, a Bumps & Babies playgroup, a children's choir and an adult choir. The church is a collection centre for a local food bank which seeks to provide individuals and families in need with food and toiletries.

Neighbourhood Sessions, a community focused evening of live music, meets approximately four times per year.

Outreach

The church ran adult and youth 'Alpha' during the autumn term. 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 2021 (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 2021, the church hired Daniel Leeves as a part-time assistant pastor. Dan's key areas of responsibility include overseeing youth and family ministry, teaching, leading worship and being fully involved in the wider life of the church. The leadership team will continue to assess his role and other potential employment needs of the church during the coming year.

Whilst online teaching was a good substitute for meeting during covid-restrictions, the church enjoyed a return to in-person activities as the year progressed. In March of 2022 the church returned to one Sunday morning gathering which has been an encouraging time of re-connection; we hope this year of meeting together in person will deepen and strengthen relationships.

In February 2022, the leadership team and a small group of church members who want to explore their calling as leaders within a church context, began the Grow Course - a year long course put on by The Gregory Centre for Church Multiplication (CCX) to 'support leaders, church teams and diocese across London, England and beyond as they multiply disciples, churches and networks. The leadership team hopes the course will enable thinking about the future of Neighbourhood Church, its numerical growth and its continued impact in the community.

During 2021 an 'Eco Team' developed within the church, a small group of people who wish to raise awareness and challenge thinking about climate and ecological issues. Their main focus for 2022 will be assessing the carbon footprint of the church, developing the church's outside space to encourage and enable wildlife and to encourage the church leadership team to continue bringing our love of God's creation and our commitment to being better climate stewards into the teaching and worship life of the church.

A further priority for 2022 is to develop plans for accommodating our continued growing numbers. We are near the capacity of our building and the leadership team are exploring other options.

Neighbourhood Church

1 Trustees' report for the year ended 31 December 2021 (continued)

Financial Review

Despite the continued 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 slightly lower than the budgeted amount for the year. However, the impact of this loss was mitigated by generous giving, over and above what was anticipated, and by a reduction in general expenses, as many church activities were suspended until September. Total incoming resources for the year were £97,499 (2020 - £93,964); total resources expended for the year were £96,989 (2020 - £87,379); and, total free reserves (total reserves less restricted reserves and fixed assets) were £52,442 (2020 - £53,642). Further details of the financial results can be seen in the Statement of Financial Activities (SOFA) on page 9.

As of March 2022, the church has resumed to almost pre-covid levels of activity and the budget for the year is forecasting a small surplus. The trustees will continue to monitor the financial situation closely and 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 within the coming year. Regular rental income has returned and the church has reasonable reserves that can be relied upon in the short term for any unforeseeable events.

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 Neighbourhood Sessions, and one-off activities which build community spirit and awareness, such as our Christmas services and ice cream Sundaes; 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).

Neighbourhood Church

Trustees' report for the year ended 31 December 2021 (continued)

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.

The church receives no guaranteed income. However, we have been blessed by very faithful and generous givers; at the end of 2021 we had 28 regular contributing individuals/family units (2020 - 29). However, out of that 7 individuals/family units contribute over 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 2021 of £52,442 (2020 - £53,642) 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.

Neighbourhood Church

Trustees' report for the year ended 31 December 2021 (continued)

Responsibilities of Trustees Under Company Law (*continued*)

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.

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

B Nunes (chair)
Trustee

Date: 30.08.22

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 2021 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

Lourens du Plessis ACA CA(SA)

12 September

2022

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 2021

		2021			2020		
	Notes	Unrestricted funds £	Restricted funds £	Total £	Total £	Unrestricted funds £	Restricted funds £
Incoming Resources							
Incoming resources from generated funds:							
Voluntary income	3a	86,259	2,375	88,634	84,849	77,616	7,233
Activities for generating funds	3b	6,798	-	6,798	6,948	6,948	-
Investment income		5	-	5	13	13	-
Incoming resources from charitable activities	4	2,062	-	2,062	2,154	2,154	-
Total incoming resources		95,124	2,375	97,499	93,964	86,731	7,233
Resources Expended							
Charitable activities	5a	(95,703)	(1,286)	(96,989)	(87,379)	(83,464)	(3,915)
Total resources expended		(95,703)	(1,286)	(96,989)	(87,379)	(83,464)	(3,915)
Net Incoming/(Outgoing) Resources for the Year		(579)	1,089	510	6,585	3,267	3,318
Funds at 1 January 2021		333,642	3,318	336,960	330,375	330,375	-
Funds at 31 December 2021		333,063	4,407	337,470	336,960	333,642	3,318

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 2021

	Notes	2021 £	2020 £
Fixed Assets			
Tangible assets	8	280,621	280,000
Current Assets			
Debtors	9	7,028	5,373
Cash at bank and in hand		53,724	53,446
		<u>341,373</u>	<u>338,819</u>
Current Liabilities			
Sundry creditors	10	(3,903)	(1,859)
Net Assets		<u>337,470</u>	<u>336,960</u>
Unrestricted Funds			
General funds	12	35,442	38,642
Designated funds	12	297,621	295,000
Restricted Funds	12	4,407	3,318
Total Funds		<u>337,470</u>	<u>336,960</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 2021, 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 2021 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 30.08.22 and signed on their behalf by:

B Nunes

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 2021

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 2021 (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 2021 (continued)

3 Incoming Resources from Generated Funds

	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
a) Voluntary income				
These comprise:				
Offerings and other gifts	86,259	2,375	88,634	84,849
b) Activities for generating funds				
Hall rental income	6,798	-	6,798	6,948

4 Incoming Resources from Charitable Activities

	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Songbirds (children's music group)	897	-	897	582
Coffee shop	85	-	85	1,000
Community events	970	-	970	573
Weekend away	110	-	110	-
	2,062	-	2,062	2,154

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 2021 £	Total 2020 £
Teaching and pastoral work	38,133	3,831	41,964	37,390
Evangelism (including Alpha & other courses)	6,457	-	6,457	1,020
Children's work	7,459	766	8,225	7,037
Community activities and church gatherings	27,328	3,065	30,393	30,299
Church giving (to institutions and individuals see Note 5d)	9,950	-	9,950	11,633
	89,327	7,662	96,989	87,379

Neighbourhood Church

Notes forming part of the financial statements for the year ended 31 December 2021 (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 2021	Total 2020
	£	£	£	£	£
Governance costs	532	106	425	1,063	1,971
Stationery and supplies	838	168	670	1,675	1,467
Insurance and memberships	2,192	438	1,754	4,384	3,805
Payroll administration fee	270	54	216	540	511
	<u>3,831</u>	<u>766</u>	<u>3,065</u>	<u>7,662</u>	<u>7,754</u>

c) Governance costs

Included in the total governance costs of £1,063 (2020 - £1,971) is the payment of £960 (2020 - £900) to Stewardship for the independent accounts examination and a payment to The Church Growth Trust for a building feasibility study of £nil (2020 - £1,008).

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:

	2021			2020		
	Institutions	Individuals	Total	Institutions	Individuals	Total
	£	£	£	£	£	£
Missionary Support	5,500	-	5,500	6,000	-	6,000
Relief of Poverty	2,170	1,280	3,450	1,195	4,438	5,633
Support of Social Care	1,000	-	1,000	-	-	-
	<u>8,670</u>	<u>1,280</u>	<u>9,950</u>	<u>7,195</u>	<u>4,438</u>	<u>11,633</u>

The church's principal grants to institutions comprised:

	2021	2020
	£	£
InterChristian Fellowships' Evangelical Mission (IcFEM)	<u>5,500</u>	<u>6,000</u>

e) Staff costs

There were two employees during the year, one full-time and one part-time, and the gross remuneration amounted to £58,192 (2020 - £49,984). Employers' national insurance costs amounted to £1,186 (2020 - £1,301) and contributions to the employees' pension plans were £3,924 (2020 - £3,850). Neither employee received employee benefits of more than £60,000; both employees were considered to be key management personnel of the charity.

Neighbourhood Church

Notes forming part of the financial statements for the year ended 31 December 2021 (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 £232 (2020 - £410).

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 2019, *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.

	Freehold Building £	Equipment £	Total £
Cost (or valuation)			
At 1 January 2021	280,000	-	280,000
Additions	-	699	699
Gains / (losses) on revaluation	-	-	-
Depreciation charge	-	(78)	(78)
Disposals	-	-	-
At 31 December 2021	280,000	621	280,621

Neighbourhood Church

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

9 Debtors	2021	2020
Debtors comprise the following amounts receivable:	£	£
Gift aid recoverable	5,967	5,373
Trade debtors	1,015	-
Prepayments	46	-
	<u>7,028</u>	<u>5,373</u>

10 Creditors	2021	2020
Short term creditors comprise the following amounts payable:	£	£
Accruals	2,198	1,859
Deferred income	1,705	-
	<u>3,903</u>	<u>1,859</u>

11 Related Parties

In total, the trustees, their related parties and the church's key management personnel contributed £19,355 (2020 - £14,845) to the church during the year. Fees payable to Stewardship, other than for the independent examination, were for payroll bureau services and totalled £540 (2020 - £511).

12 Funds

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

	Opening balance 2021 £	Incoming resources 2021 £	Outgoing resources 2021 £	Transfers in the year 2021 £	Closing balance 2021 £
Restricted Funds					
Welfare fund	3,318	750	(1,080)	-	2,988
Giving	-	1,625	(206)	-	1,419
	<u>3,318</u>	<u>2,375</u>	<u>(1,286)</u>	<u>-</u>	<u>4,407</u>

The Welfare fund 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 youth work.

Designated Funds

Roof maintenance	10,000	-	-	2,000	12,000
Unforeseen events	5,000	-	-	-	5,000
Fixed assets	280,000	-	-	621	280,621
	<u>295,000</u>	<u>-</u>	<u>-</u>	<u>2,621</u>	<u>297,621</u>

General Funds

	<u>38,642</u>	<u>95,124</u>	<u>(95,703)</u>	<u>(2,621)</u>	<u>35,442</u>
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Total Funds

	<u>336,960</u>	<u>97,499</u>	<u>(96,989)</u>	<u>-</u>	<u>337,470</u>
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Neighbourhood Church

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

12 Funds (continued)

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

	Unrestricted General funds £	Unrestricted Designated funds £	Restricted funds £	Total 2021 £
Fixed assets	-	280,621	-	280,621
Debtors	7,028	-	-	7,028
Cash at bank and in hand	32,317	17,000	4,407	53,724
Creditors	(3,903)	-	-	(3,903)
	35,442	297,621	4,407	337,470

In the previous 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 £
Restricted Funds					
Welfare fund	-	5,456	(2,138)	-	3,318
Giving	-	1,777	(1,777)	-	-
	-	7,233	(3,915)	-	3,318
Designated Funds					
Roof maintenance	8,000	-	-	2,000	10,000
Unforeseen events	5,000	-	-	-	5,000
Fixed assets	280,000	-	-	-	280,000
	293,000	-	-	2,000	295,000
General Funds	37,375	86,731	(83,464)	(2,000)	38,642
Total Funds	330,375	93,964	(87,379)	-	336,960

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

	Unrestricted General funds £	Unrestricted Designated funds £	Restricted funds £	Total 2020 £
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)
	38,642	295,000	3,318	336,960