

**TRANSFORMING CHURCHES & COMMUNITIES  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR  
THE YEAR ENDED 31 AUGUST 2021**

**Transforming Churches and Communities**  
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**for the Year Ended 31 August 2021**

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**Transforming Churches and Communities**  
**Administrative Information**  
**for the Year Ended 31 August 2021**

**DIRECTORS**

Revd Dr A Lunn  
Revd C Bird  
Revd H Byrne  
Beverley Jones (joined 23<sup>rd</sup> March 2021)  
Kristian Main (joined 11<sup>th</sup> March 2021)  
Sandra Waddington (joined 11<sup>th</sup> March 2021)  
Revd H Byrne (left 6<sup>th</sup> July 2021)  
Mr E Andrews (left 6<sup>th</sup> July 2021)

**KEY STAFF**

John Wareham

**REGISTERED OFFICE AND  
PRINCIPAL PLACE OF BUSINESS**

Unit 16, Wesley Centre  
Royce Road  
Manchester  
M15 5BP

**ACCOUNTANTS**

Leanne Nield ACA  
Arc Accountancy Solutions Limited  
51 Laverton Road  
Lytham St. Annes  
Lancashire  
FY8 1EN

**INDEPENDENT EXAMINER**

James Wheelan FCCA  
James Wheelan Accountancy Limited  
Minshull House  
67 Wellington Road North  
Stockport  
Cheshire  
SK4 2LP

**BANKERS**

Unity Trust Bank plc  
Nine Brindleyplace  
Birmingham B1 2HB

**Transforming Churches and Communities**  
**Trustees' and Directors' Annual Report**  
**for the Year Ended 31 August 2021**

The trustees present their annual report together with the financial statements of the charity for the year ended 31<sup>st</sup> August 2021.

**REPORTING FRAMEWORK**

The financial statements comply with the Charities Act 2011, the CIO governing document, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019), referred to as the Charities SORP (FRS 102) (second edition – October 2019).

**OBJECTIVES AND ACTIVITIES**

**Charitable objects**

Charity's objectives are:

1. To promote any charitable purpose for the benefit of the public, principally but not exclusively in the geographical area covered by The Methodist Church in Britain and its environs (hereafter called the "area of benefit") and, in particular, build the capacity of third sector organisations including Methodist churches, other Christian denominations and other faith communities and provide them with the necessary support, information and services to enable them to pursue or contribute to any charitable purpose, where,
  - a. "third sector" means charities, voluntary organisations and social enterprises;
  - b. "charities" are organisations established for exclusively charitable purposes in accordance with the law of England and Wales, including Methodist Churches, other Christian denominations and other faith communities;
  - c. "voluntary organisations and social enterprises" are independent organisations, which are established for purposes that add value to the community, and which are not permitted by their constitution to make a profit for private distribution. Voluntary organisations and social enterprises do not include local government or other statutory authorities.
2. To promote, organise and facilitate co-operation and partnership working between third sector, statutory and other relevant bodies in achievement of the above purposes within the area of benefit.

**Activities**

The Charity achieves its objectives by the delivery of information, advice and guidance (IAG), consultancy, project management and other activities.

**Public benefit**

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The charity relies on grants and the income from fees and charges to cover its operating costs. In setting the level of fees and charges the trustees give consideration to the accessibility to activities for individuals and organisations with low income.

**ACHIEVEMENTS AND PERFORMANCE**

The activities of TCC are mainly based on outreach support provided for on a needs led basis. The mainstay of the service is organisational and community development. The fundamental belief is that TCC is an enabler and seeks to empower the people it works with to develop their skills, knowledge and experience to do their best for their members and communities. Sustainability and self-determination is always at the forefront of our support delivery.

**TCC's main activities are:**

**1. Information, Advice and Guidance (IAG) Service:**

The IAG service provides a range of, mainly, electronic based resources accessed through our website. This includes policy documents, fact sheets and useful information on current funding and other organisational development opportunities.

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**for the Year Ended 31 August 2021**

A regular, monthly, email bulletin is circulated to our contacts, sharing good practice, funding opportunities and training opportunities.

**2. Consultancy Service:**

The consultancy service provides a greater level of in-depth support. The needs that are identified through the first level process will often lead to an increased range of support and will almost certainly be a longer-term relationship. This service has a cost attributed to it, whether it is a direct payment to TCC, as the training or consultancy deliverer, or it may include engaging external consultants with the necessary skills, knowledge and experience that TCC may not have, to ensure the most appropriate level of support. In either case TCC will manage the support agreed with the beneficiary.

**3. Project Management:**

TCC provides a comprehensive project management service for organisations, churches and projects. The range of the services can be as small or as large as the organisation requires.

We continue to expand our range of work, for example in finance or property support. We also continue to support our existing activities and ensure that as many people across the North West and beyond know of our work and services on offer. In order to achieve this, we constantly share our successes, attend numerous events such as Synods and Methodist Conference, share a monthly e-bulletin and constantly increase the mailing list.

Our Chief Executive continues to spend a vast amount of time travelling the country visiting Churches and community projects in order to spread the word, offer his governance training expertise and raising awareness of the benefits of utilising TCC's offerings.

**FINANCIAL REVIEW**

**Overview**

The charity had a surplus for the year on unrestricted funds of £1,624 and reserves carried forward of £12,361.

**Risk management**

The Trustees have identified the major risks facing the Charity and have taken steps to mitigate those risks.

**Reserves**

The reserves policy is to hold, in a designated fund, three months of expenditure. Although the financial position is improving we have not been able to accumulate three months' expenditure, but will endeavour to do this by the end of the financial year. At the year end our free reserves (unrestricted funds not invested in fixed assets or otherwise designated) were £959 and there was a designated fund of £11,402 for severance pay.

**Going concern**

The Directors have considered whether the charity is entitled to prepare the accounts on the going concern basis, they have concluded that it is appropriate because:

- The budget for 2021/22 shows that the charity is expected to substantially improve its position.
- There are strong indications there is a strengthening order book.
- The charity is able to meet its liabilities as they fall due.

**FUTURE PLANS**

- Identify funding or secure additional project work in order to cover core costs
- Continue to increase the mailing list and contacts across new areas of the UK
- To continue to increase our profile to Districts outside the North West
- Continue to secure funding on behalf of external projects
- Attempt to reduce costs and build up unrestricted reserves.

**Transforming Churches and Communities**  
**Trustees' and Directors' Annual Report**  
**for the Year Ended 31 August 2021**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

The Charity is a Charitable Incorporated Organisation and is governed by its approved governing document, dated 19th October 2018. It is registered as a Charity with the Charity Commission. It has been a registered charity since January 2013.

Although membership is not restricted, as most of our work is with the Methodist Church, we choose to have our current members of the CIO from the District Council of The Methodist Church - Manchester and Stockport District, a registered Charity. An individual ceases to be a member of the charity when they cease to be a member of the District Council for whatever reason.

**Appointment of Directors and Trustees**

The Directors, who are the Trustees, are appointed by the members in general meeting and are collectively known as the Board. At each AGM, one third of the Directors retire by rotation, being the longest in office and are eligible for re-election. The Board has the power to co-opt trustees, but such people only hold office until the next AGM, and do not count in determining those retiring by rotation, but are eligible for election.

The Trustees who served during the year, together with any changes up to the date of approving this report are listed on page 1.

**Trustee recruitment, induction and training**

Trustees are recruited for their commitment and the skills and knowledge they can bring to the organisation. All trustees receive induction information and training as appropriate to their needs and there is an opportunity to access on-going training for personal development.

**Register of interests**

Trustees are required to complete a form on appointment, which is updated annually, registering their interests, including the membership of other voluntary organisations. The Board procedures ensure that Trustees do not participate in decisions in which they have an interest.

**Organisation**

The Board, which must not be less than three members but is not subject to any upper limit, administers the Charity and meets as necessary during the year.

The day to day operations of the Charity are the responsibility of the Chief Executive, to whom the Trustees delegate authority for operational matters including finance, employment and development, within the overall strategy agreed by the Board.

**Co-operation with other organisations/charities**

The Charity works closely with the Methodist Church. In addition to our work with the Methodist Church we have a myriad of operational and strategic links with other Charities and charitable projects who share our commitment to public benefit.

**Transforming Churches and Communities**  
**Trustees' and Directors' Annual Report**  
**for the Year Ended 31 August 2021**

**TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

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).

Charity law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the CIO and of the incoming resources and application of resources, including the income and expenditure, of the CIO for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102) (second edition October 2019);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the CIO will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable incorporated organisation and enable them to ensure that the financial statements comply with the relevant legislation. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Kristian Main - Chair

Date:

**Transforming Churches and Communities**  
**Independent Examiner's Report**  
**for the Year Ended 31 August 2021**

I report to the charity trustees on my examination of the accounts of the CIO for the year ended 31<sup>st</sup> August 2021 which are set out on pages 7 – 15.

**Responsibilities and basis of report**

As the Charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

James Wheelan FCCA  
James Wheelan Accountancy Limited  
Minshull House  
67 Wellington Road North  
Stockport  
Cheshire  
SK4 2LP

Date: .....



**Transforming Churches and Communities**  
**Statement of Financial Activities**  
**for the Year Ended 31 August 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Restated* Total 2020 £
<b>Incoming resources from generated funds:</b>					
Donations and Grants	2	25,000	-	25,000	30,061
Charitable activities	3	75,349	12,452	87,801	98,337
Other income	4	18,328	-	18,328	-
<b>TOTAL INCOME</b>		<b>118,677</b>	<b>12,452</b>	<b>131,129</b>	<b>128,398</b>
<b>EXPENDITURE</b>					
Expenditure on charitable activities	5	117,053	12,452	129,505	121,400
<b>TOTAL EXPENDITURE</b>		<b>117,053</b>	<b>12,452</b>	<b>129,505</b>	<b>121,400</b>
<b>NET INCOME BEFORE TRANSFERS</b>	6	<b>1,624</b>	<b>-</b>	<b>1,624</b>	<b>6,998</b>
Transfers between funds		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>	11	<b>1,624</b>	<b>-</b>	<b>1,624</b>	<b>6,998</b>
<b>TOTAL FUNDS BROUGHT FORWARD</b>	11	<b>10,737</b>	<b>-</b>	<b>10,737</b>	<b>3,739</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	11	<b>12,361</b>	<b>-</b>	<b>12,361</b>	<b>10,737</b>

\* See note 17

The notes on pages 9 to 15 form part of these financial statements.

**Transforming Churches and Communities**  
**Balance Sheet**  
**for the Year Ended 31 August 2021**

	Notes	2021 £	2021 £	2020 £	2020 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	8		261		942
<b>CURRENT ASSETS</b>					
Debtors	9	6,302		8,042	
Cash at Bank and in Hand		31,882		22,988	
		<u>38,184</u>		<u>31,030</u>	
<b>CREDITORS</b>					
Amounts falling due in one year	10	26,084		21,235	
				<u>21,235</u>	
<b>NET CURRENT ASSETS</b>			<u>12,100</u>		<u>9,795</u>
<b>NET ASSETS</b>			<u>12,361</u>		<u>10,737</u>
<b>FUNDS</b>					
Unrestricted	11		12,361		10,737
<b>TOTAL FUNDS CARRIED FORWARD</b>			<u>12,361</u>		<u>10,737</u>

These financial statements have been prepared in accordance with the provisions applicable to the current legislation.

For the year ending 31 August 2021, the CIO was entitled to exemption from audit and are as such have been independently examined.

**Directors' responsibility**

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

The notes on pages 9 to 15 form part of these financial statements.

**Approved by the Board and authorised for issue on:**

**And signed on their behalf by:**

**Kristian Main – Chair/Director**

**Transforming Churches and Communities**  
**Notes to the Financial Statements**  
**for the Year Ended 31 August 2021**

## **1. ACCOUNTING POLICIES**

### **Basis of preparation**

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities Act 2011 and the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019). The financial statements have been prepared under the historical cost convention.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

### **Income recognition**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following applies to particular types of income:

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

**Donations** from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

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

### **Deferred income**

Income is only deferred and included in creditors when:

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

### **Expenditure and irrecoverable VAT**

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

Costs of raising funds	Including those associated with fundraising activities, managing investments and commercial trading by the subsidiary company.
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Charitable activities	Costs of undertaking the work of the charity.
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The Charity is not registered for VAT and cannot recover any input tax charged. Costs are stated inclusive of VAT.

### **Allocation of support costs**

Support costs are those functions which assist the work of the charity either by supporting the delivery of charitable activities or by supporting the generation of funds. They include office costs, depreciation, other support costs and governance costs as set out in note 4.

### **Tangible fixed assets and depreciation**

Individual assets costing more than £1,000 are capitalized at cost and are depreciated over their estimated useful lives on a straight line basis as set out below

**Transforming Churches and Communities**  
**Notes to the Financial Statements**  
**for the Year Ended 31 August 2021**

**1. ACCOUNTING POLICIES (continued)**

Depreciation rates are as follows:

Computer equipment	30% straight line
Other equipment	20% straight line

**Debtors**

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

**Cash at bank and in hand**

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

**Creditors and provisions**

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

**Financial instruments**

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

**Judgements and key sources of estimation uncertainty**

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

**Pension costs and other post-retirement benefits**

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**2. DONATIONS AND GRANTS**

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	2020 £
Core grant – The Methodist Church – North West Districts	25,000	-	25,000	30,000
Donations	-	-	-	61
	25,000	-	25,000	30,061

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Restated* 2020 £
Project fees and charges	75,349	-	75,349	98,337
Other grants won for project work – paid from Districts	-	12,452	12,452	-
	75,349	12,452	87,801	98,337

\* See note 17

**Transforming Churches and Communities**  
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**4. OTHER INCOME**

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	2020 £
HMRC job retention grant	18,328	-	18,328	-
	18,328	-	18,328	-

**5. CHARITABLE EXPENDITURE**

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Restated* 2020 £
<b>Direct costs</b>				
Salaries	94,010	12,452	106,462	96,399
Project and travel costs	5,357	-	5,357	7,584
Premises & insurance	968	-	968	510
<b>Support costs &amp; governance</b>				
Office costs	4,069	-	4,069	2,329
Depreciation	681	-	681	681
Other support costs	178	-	178	296
Governance costs	11,790	-	11,790	13,601
	117,053	12,452	129,505	121,400
	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Restated* 2020 £
<b>Governance costs comprise:</b>				
Accountancy, legal & professional	988	-	988	1,601
VAT repayment liability	10,802	-	10,802	12,000
	11,790	-	11,790	13,601

\* See note 17

**6. DETAILS OF CERTAIN TYPES OF EXPENDITURE**

	2021 £	2020 £
<b>Fees for the examination of the accounts:</b>		
Independent examiner's fees		
- Report	300	300
- Other accountancy services	-	1,301

**7. STAFF INFORMATION**

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	2020 £
<b>a) Employees</b>				
Salaries and wages	86,147	11,413	97,560	90,339
Employer's pension contributions	2,441	322	2,763	1,859
Employer's NI contributions	5,422	717	6,139	4,200

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

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**7. STAFF INFORMATION (continued)**

**b) Key management personnel**

The key management of the charity comprise the trustees and senior staff (as set out on page 1)

The trustees do not receive any remuneration for their services.

The total employee benefits of other key management were as follows:

2021	2020
£	£
43,999	47,554

**c) Average staff numbers**

The average number of employees was as follows:

	2021	2020
	Average number	Average number
Employed solely within the charity	4	4
Employed on joint contracts of employment	2	2
	6	6

The salary costs of the employees who are on a joint contract of employment are paid in full by the other party and the monies received are offset against the costs in this charity.

**8. TRUSTEE REMUNERATION AND BENEFITS**

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related party.

No trustee expenses have been incurred.

**9. TANGIBLE FIXED ASSETS**

	Equipment & fittings £	Total £
<b>Cost or valuation</b>		
As at 1 September 2020	6,682	6,682
As at 31 August 2021	6,682	6,682
<b>Depreciation</b>		
As at 1 September 2020	5,740	5,740
Charge for the year	681	681
As at 31 August 2021	6,421	6,421
<b>Net Book Value</b>		
As at 31 August 2021	261	261
As at 31 August 2020	942	942

**10. CASH AT BANK AND AT HAND**

	2021 £	2020 £
Cash at bank and on hand	31,882	22,988
	31,882	22,988

**Transforming Churches and Communities**  
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**11. DEBTORS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Grant and fees receivable	5,958	7,719
Prepayments	344	323
	<hr/> 6,302	<hr/> 8,042

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Social security and other taxes	1,883	1,862
Grants and income in advance	-	4,928
Accruals	1,399	2,445
Other Creditors	22,802	12,000
	<hr/> 26,084	<hr/> 21,235

**13. DEFERRED INCOME**

No income deferred in the current year. Prior year income was deferred due to monies received in advance to pay project staff wages.

Movement in deferred income account:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Balance at the start of the reporting period	4,928	-
Amounts added in current period	-	4,928
Amounts released to income from previous periods	4,928	-
Balance at the end of the reporting period	<hr/> -	<hr/> 4,928

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**14. MOVEMENT IN FUNDS**

	01/09/2020 £	Income £	Expenditure £	Transfers £	31/08/2021 £
<b>Unrestricted funds:</b>					
General fund	1,801	118,677	(117,053)	(2,466)	959
Designated – severance pay	8,936	-	-	2,466	11,402
<b>Total unrestricted funds</b>	<b>10,737</b>	<b>128,857</b>	<b>(128,858)</b>	<b>-</b>	<b>12,361</b>

	01/09/2020 £	Incoming resources £	Resources expended £	Transfers £	31/08/2021 £
<b>Restricted funds:</b>					
Lakeside centre - project support work	-	6,500	(6,500)	-	-
Bolton Mission - project support work	-	2,652	(2,652)	-	-
Trinity mission - project support work	-	3,300	(3,300)	-	-
<b>Total restricted funds</b>	<b>-</b>	<b>12,452</b>	<b>(12,452)</b>	<b>-</b>	<b>-</b>

**Comparatives for movement in funds**

	01/09/2019 £	Income £	Expenditure £	Transfers £	31/08/2020 £
<b>Unrestricted funds:</b>					
General fund	(833)	116,398	(109,400)	(4,364)	1,801
Designated – severance pay	4,572	-	-	4,364	8,936
<b>Total unrestricted funds</b>	<b>3,739</b>	<b>116,398</b>	<b>(109,400)</b>	<b>-</b>	<b>10,737</b>

The purpose of the designated fund is for the funding of severance pay if the situation arises where redundancies are necessary to make.

**15. ANALYSIS OF COMPANY NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Restricted Funds £	Total £
<b>Fund balances at 31<sup>st</sup> August 2021 are represented by:-</b>			
Tangible fixed assets	261	-	261
Net current assets	12,100	-	12,100
	<b>12,361</b>	<b>-</b>	<b>12,361</b>

	Unrestricted Funds £	Restricted Funds £	Total £
<b>Fund balances at 31<sup>st</sup> August 2020 are represented by:-</b>			
Tangible fixed assets	942	-	942
Net current assets	9,795	-	9,795
	<b>10,737</b>	<b>-</b>	<b>10,737</b>



**Transforming Churches and Communities**  
**Notes to the Financial Statements**  
**for the Year Ended 31 August 2021**

**16. FINANCIAL INSTRUMENTS**

The carrying amounts for each category of financial instrument is as follows:

	2021	2020
	£	£
<b>Financial assets</b>		
That are debt instruments measured at amortised cost	<b>38,184</b>	31,030
	<b>2021</b>	<b>2020</b>
	£	£
<b>Financial liabilities</b>		
Measured at amortised cost	<b>(26,084)</b>	(21,235)

Financial assets measured at amortised cost comprise: cash at bank and in hand; income receivable and other debtors; and prepayments.

Financial liabilities measured at amortised cost comprise; trade creditors; other taxes and social security; accruals; and deferred income.

**17. CORRECTION OF ERRORS**

During 2021, the Charity discovered that the 2020 £12,000 VAT repayment liability had been allocated against income generated from charitable activities, rather than recorded as expenditure on charitable activities. As a consequence, both income generated from charitable activities, and expenditure on charitable activities, was understated by £12,000. The error has been corrected by restating each of these financial statement line items for the prior period. The following table summarises the impact on the Statement of Financial Activities.

	Impact of correction of error		
	As previously reported	Adjustments	As reinstated
<b>INCOME</b>			
Donations and Grants	30,061	-	30,061
Charitable activities	86,337	12,000	98,337
<b>TOTAL INCOME</b>	116,398	12,000	128,398
<b>EXPENDITURE</b>			
Expenditure on charitable activities	109,400	12,000	121,400
<b>TOTAL EXPENDITURE</b>	109,400	12,000	121,400
<b>NET INCOME BEFORE TRANSFERS</b>	6,998	-	6,998

**18. CONSTITUTION**

The organisation is a Charitable Incorporated Organisation regulated by the Charity Commission in the event of it being wound up the members are committed to contributing £1 each.

**19. TAXATION**

The Charity is a registered charity and is entitled to claim annual exemption from UK corporation tax.

**20. CAPITAL COMMITMENTS**

There were no capital commitments authorised and contracted for at the end of the year (2020 £Nil).

**21. RELATED PARTY TRANSACTIONS**

The trustees are unrelated to each other and the charity is not under the control of one individual or entity. There are no related party transactions to disclose in either year.