

Administrative information

The charity's principal address is: 17 Hunloke Way, Malmesbury, SN16 9FL.

The trustees who served during the year and at the date of the approval of these accounts were:

- Mark Faithfull
- Andrew Dickerson (resigned 31 October 2020)
- Peter Ayling (resigned 31st January 2020)
- David Jones (appointed 10 February 2020)
- Ian Cambray-Smith (appointed 1 July 2020)
- Susan Jones (appointed 1 November 2020)

Aim and purposes

Hope Churches is a Charitable Incorporated Organisation (reg: 1151101) and is governed by a Constitution dated 6 March 2013 (as amended 26 May 2019). Its charitable purposes are:

- To advance the Christian faith for the benefit of the public in accordance with the statements of belief appearing in schedule A of its constitution.
- To relieve persons who are in conditions of need or hardship or who are aged or sick and to relieve the distress caused thereby in the United Kingdom or the world as the Trustees may from time to time think fit.

Objectives and activities

The aims of the charity are primarily outworked through the operation of Hope Church in the town of Malmesbury, Wiltshire. 2020 was the eighth year of operation for Hope Church. The Church continued to hold public worship services every Sunday along with a programme of complementary mid-week activities including Monday night communion and mid-week bible study and home groups called Centre. Events were moved online during the pandemic lockdown in order to continue to serve the church members and continue to pursue the charity's objectives.

Hope Church has a very practical, inclusive and family friendly approach to all its activities, enabling ordinary people to live out their faith through:

- Worship and prayer, learning about the Good News of Jesus, increasing their knowledge of Scripture and how to apply these to daily living.
- Pastoral care for people both within and outside the Hope Church family.
- Outreach work to share the Gospel

Achievements and performance

Worship, prayer and establishing Services of Christian Worship are held every Sunday morning in the main hall of Malmesbury Secondary School. These are characterised by modern, high energy worship and a very relaxed and child friendly atmosphere.

Achievements and performance continued

The service includes bible-based teaching from the Church Pastors and Elders, visiting speakers and members of the congregation. The sermons are recorded and made freely available on the Church website and Apple, Google and Spotify podcasts.

During periods of national lockdown and pandemic related restrictions, all events were moved online using a combination of pre-recorded and livestream events. Multiple events took place online every week during periods of lockdown.

All services and events are open to all and free of charge and are funded by the donations of the congregation and friends of Hope Church.

In planning the activities the Trustees have applied the guidance on public benefit issued by the Charity Commission.

Financial review

Total incoming resources for unrestricted funds were £58,757 including Gift Aid claimed and accrued. Total incoming resources for additional restricted funds were £450 for the financial year specifically given for the Buildings Fund.

The pandemic did affect the income of the charity with a reduction in donations however the move to online events resulted in significant savings in planned costs for room rental and as a result the charity remains in a healthy financial position. The surplus for the year was £7,544 (2019: £30,981). The charity ended the year with cash of £65,318, of which £47,872 was unrestricted.

Lead Pastor Mark Faithfull was paid a salary of £12,799 and Lead Pastor Lydia Faithfull was paid a salary of £1,799 in respect of their employment as church pastors. No other Trustee received any remuneration or reimbursement of expenses during the year for acting as a Trustee.

Reserves policy

The Trustees have set a target for reserves of around six months running costs (£28,000), in order to protect the work of the charity from sudden changes in donation levels and to fund the replacement of any material equipment that should fail. Total reserves at the end of 2020 were £77,083 of which £59,637 (which includes the designated fund referred to below) was available to support the reserves policy.

Mindful of the need to continue to invest in the infrastructure of the growing church and fund the charitable objectives, the Trustees have agreed that they should continue to build the reserves of the charity over the next few years with the aim to purchase a suitable building to support the charity's activities. £20,000 was specifically designated from unrestricted funds to support this vision.

Volunteers

The majority of the work of the charity is performed by volunteers, including the Pastors and Trustees. It has been gratifying to observe more members of the congregation get involved in practical ways in the running of Sunday services, special events, midweek groups and pastoral care.

Structure, governance and management

The charity is managed and administered by the trustees who give due regard to the spiritual leadership of the church which is provided by the Pastors and Elders. New trustees are appointed by the existing trustees by a majority vote.

The Trustees at the end of 2020 were: Mark Faithfull, Ian Cambray-Smith, David Jones, Sue Jones who are supported by a book-keeper and treasurer.

The spiritual leadership of the church is provided by the Lead Pastors, Mark and Lydia Faithfull. The Pastors are assisted by the Church Elders: David and Sue Jones.

Approval

This report was approved by the Trustees and signed on their behalf by:

Mark Faithfull

Date: 23 December 2021

Statement of Financial Activities for the year ended 31 December 2020

	Unrestricted Funds £	Restricted Funds £	2020 £	2019 £
Incoming and endowments from:				
Donations and legacies	58,707	450	59,157	81,250
Charitable activities	-	-	-	-
Other	50	-	50	1,266
Total	58,757	450	59,207	82,516
Expenditure on:				
Charitable activities (see note 3)	51,663	-	51,663	51,535
Total	51,663	00	51,663	51,535
Net income/(expenditure)	7,094	450	7,544	30,981
Transfers between funds	-	-	-	-
Net movement in funds	7,094	450	7,544	30,981
Reconciliation of funds:				
Total funds brought forward	52,543	16,996	69,539	38,558
Total funds carried forward	59,637	17,446	77,083	69,539

Unrestricted funds include £20,000 (2019: £10,000) in respect of a designated Building fund (see note 7 'Funds').

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

All income and expenditure derive from continuing operations.

Balance Sheet at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	562	1,125
Total fixed assets		562	1,125
Current assets			
Debtors	6	12,058	17,307
Cash at bank and in hand		65,318	53,722
Total current assets		77,376	71,029
Liabilities			
Creditors: Amounts falling due within one year:			
Accrued expenses		855	2,615
Net current assets		76,521	68,414
Total net assets		77,083	69,539
The funds of the charity:	7		
Unrestricted funds:			
General funds		39,637	42,543
Designated funds		20,000	10,000
		59,637	52,543
Restricted funds		17,446	16,996
		77,083	69,539

The accounts were approved by the Trustees and were signed on its behalf by:

Mark Faithfull

Date: 23 December 2021

Note 1: Basis of preparation

1.1 Basis of accounting

These financial statements are prepared on a going concern basis, under the historical cost convention.

These financial statements have been prepared 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") and with the Charities Act 2011. The charity meets the definition of a public benefit entity as set out in FRS 102.

The Charities (Accounts and Reports) Regulations 2008 (the '2008 Regulations') requires charities to prepare their accounts in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005' but this accounting standard has since been withdrawn and has been replaced by the Charities SORP mentioned in the preceding paragraph. The charity has prepared these financial statements in accordance with the new Charities SORP; this departure from the 2008 Regulations is believed to be necessary for these financial statements to give a 'true and fair view'.

The trustees 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 charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and the possible implications should projected income and / or expenditure vary unexpectedly. The trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue to operate for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements. In making this assessment the trustees have considered how Covid-19 might affect projections.

Note 2: Accounting policies

Income

Income including investment income is recognised in the period in which the charity becomes entitled to receipt, the amount receivable can be measured with reasonable certainty, and receipt is probable. For the most part, income is generally recognised when it is received. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Recoverable gift aid is recognised when the related donation is received. Gift aid that has not been recovered by the balance sheet date is included as a debtor.

The charity relies on volunteers to carry out many of its activities. However, in accordance with the SORP, the value of these services has not been included in these financial statements as they cannot be reliably measured.

Expenditure

Expenditure, including irrecoverable VAT, is recognised when it is incurred or, if earlier, when a legal or constructive obligation for a payment arises provided that it is probable that settlement will be required and the amount of the obligation can be measured reliably.

The charity makes grants to other institutions and individuals to further its charitable objectives. Grants payable are recognised as constructive obligations arise, which is generally when the charity expresses a commitment to the recipient that can be measured reliably and then only to the extent that any conditions associated with the grant are outside of the control of the charity.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Restricted funds are donations which are to be used in accordance with specific restrictions imposed by donors; they include donations received from appeals for specific activities or projects.

Tangible 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 equipment is depreciated over 3 years on a straight line basis.

Leases

Leases which do not transfer substantially all the risks and rewards of ownership to the charity are classified as operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Taxation

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

Note 3: Expenditure on charitable activities

	2020 £	2019 £
Rent	13,127	21,176
Staff costs	15,035	12,038
Grants (see below)	9,231	1,703
Van expenses	4,851	2,963
Depreciation	563	1,175
Other expenses	<u>8,856</u>	<u>12,480</u>
	<u>51,663</u>	<u>51,535</u>

The fee payable to the independent examiner for examining the accounts was £1,020; in addition the charity paid £120 to the independent examiner for other services.

Grants comprise:

	2020 £	2019 £
Grants for UK and overseas mission		
Christian Concern	2,500	-
Barnabas Fund	1,500	-
The Bible Society	-	1,000
Other grants to institutions	25	408
Grants to individuals	2,706	-
Grants for the relief of poverty		
Salvation Army	1,500	-
Malmesbury PCC	1,000	-
Other grants to institutions	<u>-</u>	<u>295</u>
	<u>9,231</u>	<u>1,703</u>

Note 4: Analysis of staff costs, the cost of key management personnel and trustee remuneration and expenses

The average monthly number of employees during the year was 1.25 (2019: 1). Most of the charity's activities are carried out by volunteers. No staff received salaries at a rate of more than £60,000 per annum.

The charity's key management comprise the trustees and the other key staff listed below. The gross pay payable to key management for the year was as follows:

- Mark Faithfull, who is a trustee: £12,799 (2019: £11,500)
- Lydia Faithfull, who is married to Mark: £1,799 (2019: £nil)

In addition the charity paid employer's pension contributions of £430 for Mark Faithfull and £7 for Lydia Faithfull.

Mark and Lydia Faithfull served as church leaders and received the above payments for serving in that capacity, not for serving as trustees; these payments are permitted by the charity's governing document.

Except for the reimbursement of expenses incurred when acting as agent for the charity, or incurred when undertaking employment duties, no expenses (2019: £nil) were paid to (or for) the trustees.

Note 5: Tangible Fixed Assets

	Equipment £
Cost	
At 1 January 2020	5,570
Additions in year	-
At 31 December 2020	<u>5,570</u>
Depreciation	
At 1 January 2020	4,445
Charge for year	<u>563</u>
At 31 December 2020	<u>5,008</u>
Net book value at 31 December 2020	<u>562</u>
Net book value at 31 December 2019	<u>1,125</u>

Note 6: Debtors

This year's debtors of £12,058 (2019: £17,307) comprises:

- gift aid receivable £9,895 (2019: £15,108)
- prepaid expenses £2,163 (2019: £2,199)

Note 7: Funds

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

	Opening balance 2020 £	Incoming resources 2020 £	Outgoing resources 2020 £	Transfers in the year 2020 £	Closing balance 2020 £
<i>Unrestricted funds</i>					
Designated Building fund	10,000	-	-	10,000	20,000
General funds	42,543	58,757	(51,663)	(10,000)	39,637
	52,543	58,757	(51,663)	-	59,637
<i>Restricted funds</i>					
Building fund	16,996	450	-	-	17,446
<i>Aggregate of funds</i>					
	69,539	59,207	(51,663)	-	77,083

During the year the trustees made a transfer from general unrestricted funds to set aside a further £10,000 for the designated Building fund.

Analysis of net assets by fund

The assets and liabilities of the various funds were as follows:

	Unrestricted General funds £	Unrestricted Designated funds £	Restricted funds £	2020 £
Tangible fixed assets	562	-	-	562
Debtors	12,058	-	-	12,058
Cash at bank and in hand	27,872	20,000	17,446	65,318
Creditors falling due within one year	(855)	-	-	(855)
	39,637	20,000	17,446	77,083

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

	Opening balance 2019 £	Incoming resources 2019 £	Outgoing resources 2019 £	Transfers in the year 2019 £	Closing balance 2019 £
<i>Unrestricted funds</i>					
Designated Building fund	10,000	-	-	-	10,000
General funds	12,635	81,128	(51,220)	-	42,543
	22,635	81,128	51,220	-	52,543
<i>Restricted funds</i>					
Building fund	15,923	1,388	(315)	-	16,996
			-		
<i>Aggregate of funds</i>	38,558	82,516	51,535	-	69,539

Analysis of net assets by fund

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

	Unrestricted General funds £	Unrestricted Designated funds £	Restricted funds £	2019 £
Tangible fixed assets	1,125	-	-	1,125
Debtors	17,307	-	-	17,307
Cash at bank and in hand	26,726	10,000	16,996	53,722
Creditors falling due within one year	(2,615)	-	-	(2,615)
	42,543	10,000	16,996	69,539

The designated Building fund represents funds set aside by the trustees to secure a future church building (known as the Home 4 Hope project).

The restricted Building fund was created from donations received to help secure a future church building (which is again known as the Home 4 Hope project).

Note 8: Transactions with related parties

During the year the charity received donations totalling £7,520 from related parties (which includes trustees, any other members of key management and anyone closely connected to them).

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HOPE CHURCHES ('the Charity')

I report to the charity trustees on my examination of the accounts of the Charity for the year ended 31 December 2020 on pages 4 to 11 following, which have been prepared on the basis of the accounting policies set out on pages 6 and 7.

Responsibilities and basis of report

As the charity's trustees of the Charitable Incorporated Organisation 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 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 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.

Ajay Rajani FCIE
Stewardship
1 Lamb's Passage
London
EC1Y 8AB

Date: 23 December 2021