

ISAIAH 58 TRUST

Accounts – 31st March 2021

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Charity number: 1164983

Accounts – 31st March 2021

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**REPORT OF THE TRUSTEES
for the year ended 31st March 2021**

The Trustees are pleased to present their annual report and financial statements of the charity for the year ended 31st March 2021.

The Financial Statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and complies with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (Second Edition) and the Financial Reporting Standard FRS 102.

Reference and Administration Details

The charity's name is Isaiah 58 Trust and also operates under the name of Kings Way Church.

Charity Registration Number: 1164983

Registered Office: 324 Washway Road, Sale, M33 4RT.

Trustees

The Trustees and officers who served during the year and since the year end were as follows:

I Skrzypiec-Allen
D Dean
T Hack
W Price
S Green

Objectives and Activities

The main objects of the charity are:

- a) The advancement of the Christian faith and proclamation of the gospel of Jesus Christ.
- b) The advancement of education in accordance with Christian principles.
- c) Protection of health and the relief of poverty, distress and sickness.
- d) Advancement of Christian worship.
- e) Promote and fulfil such other charitable purposes beneficial to the community.

The main activity of the trust is the running of a Christian church in the Manchester area together with related community projects.

In planning the activities of the charity the trustees have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion.

The trusts activities of education and prevention or relief of poverty and the religious activities are available to people in the North of England and elsewhere.

Achievements and Performance

In accordance with its objectives, financial support was given to a number of projects involved in the relief of hardship and suffering, both in the UK and abroad, including Europe and Africa. Educational projects in the UK, Europe and Africa were also supported as have community transformation initiatives in Trafford, in Greater Manchester, and other parts of the UK. The CIO continues to work with seven other local churches including Life Church and partnering with Christians Against Poverty (registered charity 1097217) to provide debt counselling free of charge to local residents. COVID restrictions led us to develop on-line working for both the church and Debt Centre. In future we expect to keep a hybrid on-line and in person mode of service delivery. Steps are being taken to secure funds for ongoing work in the area of debt relief. The CIO is the lead organisation and holds the finances for the centre. The primary source of income for the CIO is from donations.

**REPORT OF THE TRUSTEES
for the year ended 31st March 2021**

Financial Review

The total income for the year was £61,254 and total expenditure on charitable activities amounted to £39,058. The balance on General Funds at the year end was £504,157 and on designated funds £111,900 and on restricted £25,117.

Reserves Policy

The trustees have continued the policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be between 2 and 3 months of expenditure. The trustees consider that this should be £25,000 in general funds. The reserves are needed to meet the working capital requirement of the charity and the trustees are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding. The present level of the reserves available to the charity are in excess of the desired amount. The trustees have continued to maintain the reserves at this level by monitoring income and expenditure on a monthly basis, and only making donations from surplus funds. Additional reserves of £8,000 are needed for the Debt Centre to continue to function for 3–4 months in case of loss of income. These are held in restricted funds.

Structure, Governance and Management**Governing Document**

Isaiah 58 Trust is registered as a Charitable Incorporated Organisation with the Charity Commission. It was formed under a Trust Deed registered on 23rd December 2015.

Appointment of Trustees

The trustees keep the composition of the board under review and will seek to appoint additional members with appropriate skills, expertise and Christian values, should the need arise. Interested parties are given details of the background of the charitable company in order to make them aware of current activities.

Signed on behalf of the trustees:

I Skrzypiec-Allen

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Trustee

Manchester

8th December 2021

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report to the trustees on my examination of the accounts of Isaiah 58 Trust for the year ended 31st March 2021.

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 2011 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.

AP Williams BSc FCCA
A J Carter & Co
Chartered Accountants

22b High Street
Witney
Oxon
OX28 6RB

15th December 2021

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31st March 2021

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
		£	£	£	£
Income from:					
Donations	3	34,864	21,139	56,003	64,728
Coronavirus job retention scheme grant		-	5,227	5,227	-
Investments	4	24	-	24	44
Total incoming resources		<u>34,888</u>	<u>26,366</u>	<u>61,254</u>	<u>64,772</u>
Expenditure on:					
Charitable activities	5	16,947	22,111	39,058	57,621
Total expenditure		<u>16,947</u>	<u>22,111</u>	<u>39,058</u>	<u>57,621</u>
Net income/(expenditure) and net movement in funds for the year		17,941	4,255	22,196	7,151
Transfer between funds		<u>(5,000)</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
Net movement in funds		12,941	9,255	22,196	7,151
Reconciliation of funds					
Total funds brought forward		<u>603,116</u>	<u>15,862</u>	<u>618,978</u>	<u>611,827</u>
Total funds carried forward		<u><u>£616,057</u></u>	<u><u>£25,117</u></u>	<u><u>£641,174</u></u>	<u><u>£618,978</u></u>

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

All income and expenditure derives from continuing activities.

The notes on pages 6 to 11 form part of these financial statements

BALANCE SHEET
as at 31st March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	<u>2,043</u>	<u>3,064</u>
Total fixed assets		<u>2,043</u>	<u>3,064</u>
Other assets			
Loans	10	<u>530,000</u>	<u>530,000</u>
		<u>530,000</u>	<u>530,000</u>
Current assets			
Debtors	11	1,430	967
Investments	12	50,966	55,942
Cash at bank and in hand		<u>58,415</u>	<u>30,865</u>
Total current assets		110,811	87,774
Liabilities			
Creditors falling due within one year	13	<u>1,680</u>	<u>1,860</u>
Net current assets		<u>109,131</u>	<u>85,914</u>
Total assets less current liabilities		641,174	618,978
Total net assets	14	<u>£641,174</u>	<u>£618,978</u>
The funds of the Charity			
Total restricted funds	15	<u>25,117</u>	<u>15,862</u>
Unrestricted income funds-General	15	504,157	491,216
Unrestricted income funds-Designated	15	<u>111,900</u>	<u>111,900</u>
Total unrestricted funds		<u>616,057</u>	<u>603,116</u>
Total charity funds		<u>£641,174</u>	<u>£618,978</u>

These accounts were approved by the trustees and authorised for issue on: 8th December 2021 and are signed on their behalf by:

I Skrzypiec-Allen

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Trustee

The notes on pages 6 to 11 form part of these financial statements

NOTES TO THE ACCOUNTS
for the year ended 31st March 2021

1. Accounting Policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of Preparation

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Public Benefit Entity

The Isaiah 58 Trust meets the definition of a public benefit entity as defined by FRS 102.

Going Concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

b) Income Recognition Policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions attached to the items of income have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Income received in advance of a specific performance or provision of other specified service is deferred until the criteria for income recognition are met.

Income from Government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. In respect of the furlough grant; all conditions, with respect to the eligible costs being claimed, need to be met.

c) Donated Services and Facilities

In accordance with the Charities SORP (FRS 102) the general time of volunteers is not recognised in the accounts.

d) Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

NOTES TO THE ACCOUNTS
for the year ended 31st March 2021 (continued)

e) **Fund Accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for the particular areas of the Charity's work or for specific projects being undertaken by the Charity.

f) **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 settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on Charitable activities includes the cost of running the activities of Kings Way Church and associated projects.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

g) **Tangible Fixed Assets**

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Asset Category	Annual Rate
Equipment (costing over £1,000)	25% per annum
Equipment (costing less than £1,000)	Written off in year of acquisition

h) **Debtors**

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

i) **Cash at Bank and in Hand**

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

j) **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 provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

k) **Pensions**

The Charity operates a defined contribution scheme, the assets of which are held outside the Charity. The contributions by the Charity in the year are detailed in note 7.

2. **Legal Status of the Charity**

Isaiah 58 Trust is a registered Charitable Incorporated Organisation and was formed under a Trust Deed registered on 23rd December 2015.

NOTES TO THE ACCOUNTS
for the year ended 31st March 2021 (continued)

3. Income from donations

	2021	2020
	£	£
Gifts and donations	56,003	64,728
	<u>£56,003</u>	<u>£64,728</u>

Of the £56,003 received in 2021 (2020: £64,728) £21,139 was restricted funds (2020: £17,795) and £34,864 (2020: £46,933) unrestricted funds.

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102) the economic contribution of general volunteers is not recognised in the accounts.

4. Investment income

All of the Charity investment income arises from money held in deposit at Barclays bank.

5. Analysis of expenditure on charitable activities

	Church activities	2021 Total	2020 Total
	£	£	£
Gifts, grants and expenditure in furtherance of charity activities	10,859	10,859	12,596
CAP expenditure	5,550	5,550	4,579
Property costs	1,688	1,688	5,648
Computer peripherals and equipment	757	757	1,542
Conference, resources and training	276	276	71
Ministry support	15,002	15,002	24,601
Stationery and publicity	640	640	616
Catering and hospitality	126	126	1,968
Sundry and travel expenses	185	185	1,526
Subscriptions	1,135	1,135	781
Professional fees	-	-	634
Bank charges	139	139	178
Depreciation	1,021	1,021	1,021
Accountancy	1,680	1,680	1,860
Total	<u>£39,058</u>	<u>£39,058</u>	<u>£57,621</u>

Of the £39,058 expenditure in 2021 (2020: £57,621) £16,947 was charged to unrestricted funds (2020: £34,768) and £22,111 to restricted funds (2020: £22,853).

NOTES TO THE ACCOUNTS
for the year ended 31st March 2021 (continued)

6. Analysis of staff costs and trustee remuneration, expenses and transactions

	2021	2020
	£	£
Salaries and wages	14,747	14,400
Social security costs	-	-
Employer contribution to Defined Contribution Pension Scheme	255	248
	<u>£15,002</u>	<u>£14,648</u>

No employees had emoluments in excess of £60,000 (2020: £60,000). Pension costs are allocated to activities in proportion to the related staffing costs incurred.

During the year the Trustees received remuneration from the charity as permitted by the trust deed as follows

	2021	2020
	£	£
A & S Britton	-	9,954

Last year A & S Britton were gifted £2,510 on the occasion of their retirement.

During the year 1 trustee also received expenses in relation to travel, catering and pastoral work totalling £111 (2020: £714 1 trustee).

During the year the trustees and their spouses donated £13,402 (2020: £16,126) to the charity in total.

7. Staff numbers

The average monthly number of employees during the year was as follows:

	2021	2020
	Number	Number
Ministry support	<u>1</u>	<u>1</u>

8. Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

NOTES TO THE ACCOUNTS
for the year ended 31st March 2021 (continued)

9. Tangible fixed assets

	Equipment £	Total £
Cost:		
As at 01.04.2020	4,085	4,085
Additions	-	-
As at 31.03.2021	<u>4,085</u>	<u>4,085</u>
Depreciation:		
As at 01.04.2020	1,021	1,021
Charge for year	<u>1,021</u>	<u>1,021</u>
As at 31.03.2021	<u>2,042</u>	<u>2,042</u>
Net book value:		
As at 31.03.2021	<u>£2,043</u>	<u>£2,043</u>
As at 31.03.2020	<u>£3,064</u>	<u>£3,064</u>

10. Loan

In previous years the Isaiah 58 Trust lent LifeChurch Manchester, a charitable company limited by guarantee and operating as a church, the sum of £550,000. The loan is secured by a second charge over that church's property. There are no fixed repayment terms but LifeChurch intend to commence repaying the loan as soon as funds are available and there is an understanding that if the Isaiah 58 Trust requires repayment of the loan (in full or in part) all attempts will be made for repayment. No interest is due on the loan as the Isaiah 58 Trust have free use of part of the building for its own church activities. Last the year the sum of £20,000 was repaid on the loan.

11. Debtors

	2021 £	2020 £
Prepayments	308	366
Other debtors	<u>1,122</u>	<u>601</u>
	<u>£1,430</u>	<u>£967</u>

12. Current asset investments

	2021 £	2020 £
Cash on deposit	<u>50,966</u>	<u>55,942</u>
	<u>£50,966</u>	<u>£55,942</u>

13. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	<u>1,680</u>	<u>1,860</u>
	<u>£1,680</u>	<u>£1,860</u>

NOTES TO THE ACCOUNTS
for the year ended 31st March 2021 (continued)

14. Analysis of net assets between funds

	General Fund £	Designated Funds £	Restricted Funds £	Total £
Fixed Assets	2,043	-	-	2,043
Building fund loan	420,000	110,000	-	530,000
Cash at bank and in hand	31,606	1,900	24,909	58,415
Other net current assets/(liabilities)	50,508	-	208	50,716
Total	£504,157	£111,900	£25,117	£641,174

15. Analysis of charitable funds

Analysis of movements in restricted funds

	Balance 01.04.2020 £	Incoming resources £	Resources expended £	Transfers £	Funds 31.03.2021 £
CAP	15,579	25,333	(22,111)	5,000	23,801
Bulgaria donations	283	1,033	-	-	1,316
Total	£15,862	£26,366	£(22,111)	£5,000	£25,117

Name of restricted fund Description, nature and purposes of the fund

The CAP restricted funds are for the running of the Debt relief centre.

The other restricted funds are for specific projects in the churches activities and pastoral care.

Analysis of movements in unrestricted funds

	Balance 01.04.2020 £	Incoming resources £	Resources expended £	Transfers £	Funds 31.03.2021 £
General fund	491,216	34,888	(16,947)	(5,000)	504,157
Buildings Fund Loan	110,000	-	-	-	110,000
Deborah Arise	1,900	-	-	-	1,900
Total	£603,116	£34,888	£(16,947)	£(5,000)	£616,057

Name of unrestricted fund Description, nature and purposes of the fund

General fund The 'free reserves' after allowing for all designated funds.

Buildings Fund Loan In prior year's £130,000 of the building fund was lent to LifeChurch Manchester and formed part of the £550,000 loan (see above). The £130,000 has therefore been transferred from the building Fund to the Building Fund Loan and is held in the form of a loan to LifeChurch Manchester. Last year £20,000 was repaid on this loan and therefore a corresponding £20,000 was released back to the general reserves.

Deborah Arise A specific project undertaken by the church.