

Company Registration Number: 10973272

Charity Registration Number: 1175373

GRACE CHURCH NOTTINGHAM
(A Company Limited by Guarantee)

REPORT OF THE DIRECTORS
AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

Swimming
against the tide?

We will help you find
calmer waters



Baines Jewitt
CHARTERED ACCOUNTANTS
AND BUSINESS ADVISERS

GRACE CHURCH NOTTINGHAM
(A Company Limited by Guarantee)

**REPORTS AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

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GRACE CHURCH NOTTINGHAM
(A Company Limited by Guarantee)

**TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2021**

The trustees present their report and the unaudited financial statements of the charitable company for the year ended 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charitable company's governing document, the Charities Act 2011 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, published in October 2019.

Trustees of the Charity

The directors of the charitable company are its trustees for the purposes of charity law. Details of the trustees who have served during the year and since the year end can be found on page 6.

OBJECTS AND ACTIVITIES

The objects of the charitable company are, for the benefit of the public:

- The advancement of the Christian Faith in accordance with the Statement of Beliefs and the worship of God in Nottinghamshire and elsewhere by any means whatsoever including, but not limited to, the preaching and proclamation of the Christian Gospel and the teaching of Christian doctrine and principles and the pastoral care of Christian people and the printing and distribution of the Bible and Christian literature including video and audio recordings or electronically and by any other media which is or may become available.
- The relief of persons who are in conditions of need, hardship or distress or who are aged or sick.

Statement of Beliefs

We believe in:

1. The one true God who lives eternally in three persons – the Father, the Son and the Holy Spirit;
2. The love, grace and sovereignty of God in creating, sustaining, ruling, redeeming and judging the world;
3. The divine inspiration and supreme authority of the Old and New Testament Scriptures, which are the written Word of God – fully trustworthy for faith and conduct;
4. The dignity of all people, made male and female in God's image to love, be holy and care for creation, yet corrupted by sin, which incurs divine wrath and judgement;
5. The incarnation of God's eternal Son, the Lord Jesus Christ – born of the virgin Mary; truly divine and truly human, yet without sin;
6. The atoning sacrifice of Christ on the cross: dying in our place, paying the price of sin and defeating evil, so reconciling us with God;
7. The bodily resurrection of Christ, the first fruits of our resurrection; his ascension to the Father, and his reign and mediation as the only Saviour of the world;
8. The justification of sinners solely by the grace of God through faith in Christ;
9. The ministry of God the Holy Spirit, who leads us to repentance, unites us with Christ through new birth, empowers our discipleship and enables our witness;
10. The Church, the body of Christ both local and universal, the priesthood of all believers – given life by the Spirit and endowed with the Spirit's gifts to worship God and proclaim the gospel, promoting justice and love;
11. The personal and visible return of Jesus Christ to fulfil the purposes of God, who will raise all people to judgement, bring eternal life to the redeemed and eternal condemnation to the lost, and establish a new heaven and a new earth.

GRACE CHURCH NOTTINGHAM
(A Company Limited by Guarantee)

**TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2021**

ACHIEVEMENTS AND PERFORMANCE

Introduction to Grace Church

Some 10 people came to Nottingham from other churches across the UK in 2002, to make Nottingham our home and to plant a church in the city. Our vision was to speak the good news of Jesus, serve our city and send people to serve in other cities and countries.

Now, we are a church of over 600 who have bought a building in the centre of the city, where we meet across four congregations, and it is from here that we continue to pursue our mission.

Highlights of the Year

Here are the highlights of the significant activities undertaken to carry out the charity's aims for the public benefit, as defined by the Charities Act 2006:

- **Revelation Church Manchester:** Since its launch in September 2018, our church plant in Manchester has grown from 8 people meeting in a house to over 50 meeting regularly in a local community centre. We believe and have expectation that Revelation Church will grow to become a church like Grace Church in the years to come, running many more programmes to benefit the city of Manchester. Revelation Church Manchester became recognised as a charity (1191914) in October 2020.
- **River Church Newcastle:** The River Church Newcastle launched in September 2020. We believe and have expectation that River Church will grow to become a church similar to Grace Church in the years to come, running many more programmes to benefit the city of Newcastle.
- **Compassion ministries:** In 2020 our social justice ministries were rebranded 'Compassion ministries' and relaunched several activities after the lockdowns of 19-20. We meet the physical needs presented by people but more importantly to draw people into a supportive community, gathered around Christ, that aims to provide hope for people to escape the poverty of loneliness as well as physical poverty. To this end, the women's group has been established and meets each Monday with around 10 women and the men's group each Thursday, meeting around 16 people each week. Despite the operational challenges our foodbank continued and distributed over 600 food parcels, feeding over 2000 of those most in need in our city. Our Baby Basics ministry also relaunched, providing over 300 parcels of essentials for young families unable to provide for themselves.
- **Compassion ministries Christmas Party:** The December 2020 Christmas party could not be held due to COVID restrictions and was replaced by a Christmas hamper donation to those who would normally have been invited to attend. In December 2021 we reverted to hosting our annual Christmas party for over 75 people who had been served in our foodbank and involved in our social justice ministries that year. The event was free to attend, and along with a full Christmas meal there were games and entertainment. The day finished with the distribution of gifts. The purpose of the event was to give those who we know through our compassion ministries the opportunity to enjoy Christmas without worrying about the cost.
- **12 o'clock service:** In February 2016 we launched a church service on Wednesdays at 12 o'clock. This is for those who come to our Social Hub but are unable to attend our Sunday meetings and includes a free lunch, a time of sung worship, a short, Bible-based talk and a chance to take part in discussion and receive prayer. Since the launch we've seen over 120 different people attend, and we now have a group of regular attenders who really benefit from the support and sense of community the meeting and the attached discipleship groups provide.
- **Grace Enterprises:** In May 2020 Grace Enterprises became recognised as a charity (1189538), with a separate board of trustees. It continues to support, mentor and provide jobs for people who have been unemployed through its trading social enterprise Radiant Cleaners. By the end of August 2021 Radiant Cleaners had employed 50 people - many of whom had faced significant barriers to work or had never worked before. Radiant Cleaners continued to trade through the Covid-19 pandemic and was supported by individuals, and grants from the local council and the social enterprise sector. Grace Enterprises has launched its second business, Jubilee Events and is in a strong place to grow in 2022.
- **Nottingham Citizens:** We are a co-founder of an organisation called Nottingham Citizens, to whom we continue to give financially as well as offer free room hire for meetings and conferences. Citizens continue to draw together different communities across Nottingham to work together to see change for good in our city. We continue to offer at least the Living Wage to all of our employees as a result of our involvement with Nottingham Citizens. A few of our members are directly involved in Citizens' work, working on several campaigns to improve the quality of life in our city.

GRACE CHURCH NOTTINGHAM
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**TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2021**

ACHIEVEMENTS AND PERFORMANCE (Continued)

- **University students:** We actively seek to reach out to university students at The University of Nottingham and Nottingham Trent University to help support them in university life – particularly those who are new to university and Nottingham. We have a thriving and active community of over 30 students who we seek to support in their studies and help prepare for working and family life. Several of our students are involved in leadership positions within the Christian Unions at Nottingham University or Nottingham Trent University. We seek to support and assist them as they tell others about the Christian message.
- **Youth Work:** All who work with youth are DBS checked. Our Tuesday night youth group continues to offer a place for 11-18-year-olds to come and build relationships and have fun and is well attended. Our Youth on a Sunday join in worship at the 4pm service and then study the Bible together as a group.
- **Children:** All who work with kids are DBS checked. We run a program of activities for children and young people from 0-18 years at our Sunday meetings, catering for roughly 80 children each week. We also ran our Light Party online on 31 October 2020, a free event for children of primary school age, with 100 children attending. Our parent and toddler group, Stay & Play, continued to grow and peaked at over 80 mothers and children, though we often serve around 70.
- **Relief for those in need:** During 2020-21 we continued to engage with and support the following charitable organisations both financially and through recruiting volunteers:
 - **Jericho Road Project:** a ministry that cares for those involved in the sex industry; protecting them and providing a restorative route back from their work;
 - **Prison Ministry:** a small team of Christians visiting those in prison to offer prayer and support; provides a link back into community (our 12 o'clock service) once prisoners are released;
 - **Open Doors:** a Christian charity working in over 50 countries to supply Bibles, train church leaders, provide practical support and emergency relief, and support Christians who suffer for their faith.
- **Alpha:** We hosted four alpha courses online where people are invited to explore Christianity and what it means to follow Jesus. We saw over 50 people attend these courses.
- **We need to talk about Race:** In October 2020, we began a deliberate conversation amongst us as a church about racial and cultural discrimination, involving interviews, group discussion and Sunday sermons. We described the conversation as one to be had 'as a family for the sake of our family' and being a racially diverse group of people, it was healthy for us to open dialogue on the different experiences faced and the best ways to fight against racism. Conversations continue but the most lasting effect is a church better aware of and informed on the issue from a biblical perspective and better able to speak for justice in our world.
- **Month of Prayer:** In January 2021, we decided to begin the calendar year with a month of events focused on prayer. In part, this was to help us begin the year well, at a time where lots of people struggle to get going. We produced resources for people to use in their own homes and lives, held some events as Covid-restrictions allowed and prayed for lots of areas of life and society in Nottingham. We found it helpful in generating prayer activity and momentum in the life of the church
- **Serving & Volunteering:** An overview of the number of volunteer hours given by people within Grace Church to Compassion ministries is as follows:

	Estimated Volunteer Hours
- Foodbank/Baby Basics	3,150
- 12 o'clock service	1,500
- Stay & Play (Nottingham)	800
- Youth	800
- Christmas party	300
- Nottingham Citizens	50

The above equates to around 6,600 volunteer hours for existing Compassion ministries in Nottingham.

Total volunteer hours - the total figure, across all our activities, for those at Grace Church Nottingham, River Church Newcastle and Revelation Church Manchester remains considerably higher, at more than **20,000 hours**.

GRACE CHURCH NOTTINGHAM
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**TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2021**

ACHIEVEMENTS AND PERFORMANCE (Continued)

Organisation Statistics

- **Midweek groups:** We continued to meet during the week in Home Groups. These are groups of 8-15 people meeting in the homes of our members, some of which have the very intentional purpose of reaching out and blessing the community they are in.
- **Staffing and Organisational Structure:** Grace Church is led by teams of elders, trustees and strategic staff. Within the team, all staff and interns have a line manager who they take direction from and are mentored by.
- **Training:** During 2020-21, we have run training programmes for staff, members & others, including:
 - A marriage preparation course;
 - A course for those recovering from life-controlling issues such as addiction;
 - Intern programme (One thing year): 10 young people worked voluntarily for the church for 11 months of the year working 2 days a week. They received training in their specific area of work but also in broader work-related skills, including sessions on communication, time management and budgeting;
 - Courses on reading the Bible;
 - Stewardship courses.
- **Nottingham Churches:** We have regular and active fellowship with the other city churches in Nottingham and are actively involved in the monthly City Prayer group. We come together to celebrate, pray and collaborate on a range of projects and activities to help bless the City of Nottingham and to share the good news of Jesus with more people.
- **Grace Connection Churches:** During 2020-21 we continued to benefit from our relationships with other churches in the Grace Connection network. Three times in the year leaders and staff from these churches meet for worship, prayer and training.
- **External Support:** During 2020-21 we continued to benefit from our relationships with our external advisors Derek Tidball, former Principal of London Bible College, and David Shearman, an experienced former senior pastor. Their input, training and advice was beneficial for our leadership teams as we continued to move forward with our vision. We also continued to benefit from Learning Communities – a twice-yearly training context attended by our strategy team.

FINANCIAL REVIEW

Following on from the transfer of assets and liabilities from the former unincorporated charity on 30 October 2020, the income and expenditure reflected in these accounts effectively covers 12 months of activity from November 2020 to August 2021 inclusive.

Total income amounted to £498,954 of which £70,328 was restricted. Expenditure of £502,949 was incurred of which £68,720 was for restricted purposes. At 31 August 2021, the charity had unrestricted funds of £690,521 and unspent restricted funds of £44,395.

The trustees are satisfied with the financial position of the organisation at 31 August 2021 and are optimistic as regards the future in terms of the church fulfilling its growth and other objectives.

Investment Policy

The trustees have the power to deposit or invest funds in any lawful manner. The management of investments may be delegated subject to the permissions and conditions of the Trustees Act 2000.

Reserves Policy

The trustees' aim is to maintain unrestricted cash reserves at a level which represents two months anticipated annualised expenditure across the charity's unrestricted funds. Based on these accounts, this would have necessitated a reserve of circa £86,000 at 31 August 2021. This target was not achieved at 31 August 2021 (with net unrestricted cash liquidity of £66,000). The trustees expect that the net unrestricted cash liquidity can be increased to meet the minimum reserve level in the foreseeable future.

GRACE CHURCH NOTTINGHAM
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**TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2021**

PLANS FOR FUTURE PERIODS

Our vision for the future is that we would be a thriving community, that reaches Nottingham with the gospel and replicates this across the UK. During the COVID-19 pandemic we continued many of our activities online whilst meeting in person, when possible, in line with government guidelines. To enable church to be accessed by our most vulnerable members and to reach Nottingham with the Gospel we have invested in technology to allow us to live stream services during the pandemic and beyond. We also envisage our Compassion ministries going from strength to strength, including the development of our accessible 12 o'clock service, as we continue to serve the needs of increasing numbers in the city of Nottingham. We plan to raise money for and complete a building project (kitchen and lift) in 2022 which will enable us to serve our city better with food-based ministries and also make the first floor of our building accessible to all. We will also continue to run programs and courses such as a finance course, parenting course, marriage course, and a mental health support group.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is a charitable company limited by guarantee, governed by its Memorandum and Articles dated 20 September 2017 and was registered with the Charity Commission on 26 October 2017. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Appointment of Trustees

New trustees are appointed on the recommendation of existing trustees/members. There is a required minimum of three trustees and a maximum of 12.

Trustees Induction and Training

The trustees are already familiar with the work of the charity as they are drawn from within the church membership/congregation. The trustees have induction procedures to ensure new trustees understand their roles and obligations. As part of these procedures, trustees are encouraged to attend appropriate internal/external training events to facilitate the undertaking of their roles.

Organisation

The management and administration of the charity is under the control of the trustees who meet six times per year. Day to day operational matters are delegated to the church leaders.

Risk Management

The trustees have always given due care and attention to the risks the church faces and over the last few years have taken on a more thorough risk management model (supplied by Stewardship Services Ltd). This includes a risk register that highlights risks in governance, finance, operations, compliance and external factors. We also have a separate risk assessment in place for the COVID-19 pandemic. The process has been a great success and has year on year seen risks being better identified, assessed, and controlled.

Pay and Remuneration of Key Management Personnel

The salary of key management personnel is reviewed annually. The trustees benchmark against pay levels in other similar organisations.

GRACE CHURCH NOTTINGHAM
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**TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2021**

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Name: Grace Church Nottingham

Company Registration Number: 10973272

Charity Registration Number: 1175373

Registered Office: 1 Castle Boulevard
Nottingham
NG7 1FT

Trustees: Mrs. E.A. Topliss
Dr. J.D.S. Walker
Mrs. L.E. Hay
Mr. J.C. Potter
Mr. M.J. Matthews

Senior Pastor: Mr. B. Topliss

Independent Examiner: Mr. J. Lester FCA
Baines Jewitt Limited
Chartered Accountants
Barrington House
41-45 Yarm Lane
Stockton-on-Tees
TS18 3EA

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approval

This report was approved by the trustees on 27 May 2022
and signed on their behalf by:

Mrs. E.A. Topliss
Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
GRACE CHURCH NOTTINGHAM
(A Company Limited by Guarantee)**

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 August 2021 which are set out on pages 8 to 19.

Responsibilities and Basis of Report

As the charity trustees of the company (who are 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 company'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

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW).

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 that in any material respect:

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.

J Lester

**Mr. J. Lester FCA
Baines Jewitt Limited
Chartered Accountants
Barrington House
41-45 Yarm Lane
Stockton-on-Tees
TS18 3EA**

Dated: 27 May 2022

JL/AJD

GRACE CHURCH NOTTINGHAM
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021
(including Summary Income and Expenditure Account)

	Note	Unrestricted Funds		Restricted Funds		Total Funds	
		2021	2020	2021	2020	2021	2020
		£	£	£	£	£	£
INCOMING RESOURCES							
Income and Endowments from:							
Donations and legacies	3(a)	413,812	-	65,813	-	479,625	-
Other trading activities	3(b)	2,250	-	(635)	-	1,615	-
Investments	3(c)	1	12,896	-	-	1	12,896
Other	3(d)	12,563	-	5,150	-	17,713	-
TOTAL INCOMING RESOURCES		<u>428,626</u>	<u>12,896</u>	<u>70,328</u>	<u>-</u>	<u>498,954</u>	<u>12,896</u>
RESOURCE EXPENDED							
Expenditure on:							
Charitable	4	434,229	12,896	68,720	-	502,949	12,896
TOTAL RESOURCES EXPENDED		<u>434,229</u>	<u>12,896</u>	<u>68,720</u>	<u>-</u>	<u>502,949</u>	<u>12,896</u>
Net income/expenditure for year	5	(5,603)	-	1,608	-	(3,995)	-
Net gains/(losses) on investments	10	69	-	-	-	69	-
Net incoming resources before transfers		(5,534)	-	1,608	-	(3,926)	-
Gross Transfers between Funds		(21,642)	-	21,642	-	-	-
Net Movement in Funds		(27,176)	-	23,250	-	(3,926)	-
Reconciliation of funds:							
Total funds brought forward		-	-	-	-	-	-
Funds transferred from former unincorporated charity		717,697	-	21,145	-	738,842	-
Total Funds Carried Forward	15&16	<u>690,521</u>	<u>-</u>	<u>44,395</u>	<u>-</u>	<u>734,916</u>	<u>-</u>

GRACE CHURCH NOTTINGHAM
(A Company Limited by Guarantee)
(Company Registration Number: 10973272)

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	9		1,050,669		-
Investments	10		1		1
			<u>1,050,670</u>		<u>1</u>
CURRENT ASSETS					
Investments	11	163		-	
Debtors	12	16,426		-	
Cash at bank and in hand		141,279		-	
		<u>157,868</u>		-	
CREDITORS: Amounts falling due within one year	13	(47,455)		(1)	
NET CURRENT ASSETS/(LIABILITIES)			<u>110,413</u>		<u>(1)</u>
TOTAL NET ASSETS LESS CURRENT LIABILITIES			<u>1,161,083</u>		<u>-</u>
CREDITORS: Amounts falling due after more than one year	14		(426,167)		-
NET ASSETS			<u>734,916</u>		<u>-</u>
FUNDS	16&17				
Unrestricted			690,521		-
Restricted			44,395		-
TOTAL FUNDS			<u>734,916</u>		<u>-</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the Board on 27 May 2022

Signed on behalf of the Board of Directors:

Mrs. E.A. Topliss
Trustee

GRACE CHURCH NOTTINGHAM

(A Company Limited by Guarantee)
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
Cash flow from operating activities	20	21,639	-
		<hr/>	<hr/>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(6,335)	-
Interest received		-	-
Dividends received		1	-
		<hr/>	<hr/>
Net cash flow from investing activities		(6,334)	-
		<hr/>	<hr/>
Cash flow from financing activities			
Repayment of bank loan		(17,306)	-
Interest paid		(23,561)	-
		<hr/>	<hr/>
Net cash flow from financing activities		(40,867)	-
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		(25,562)	-
Cash and cash equivalents transferred from former unincorporated charity		166,841	-
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year		141,279	-
		<hr/>	<hr/>
Cash and cash equivalents consists of:			
Cash a bank and in hand		141,279	-
		<hr/>	<hr/>

GRACE CHURCH NOTTINGHAM
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES

(a) General Information and Basis of Preparation

Grace Church Nottingham is a private company limited by guarantee registered in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 6 of these financial statements. The nature of the charity's operations and principal activities are to advance the Christian faith.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in pounds sterling, which is the functional currency of the charity, and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Income Recognition

All income is recognised once the charity has entitlement to that income, there is sufficient certainty of receipt and it is probable that the income will be received, and the amount of income can be measured reliably.

Grants and Donations

- Where donors specify that grants or donations must be used in a future accounting period, the income is deferred until those periods;
- Where donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred until the period in which the pre-conditions are met.

Where donors specify that grants or donations are for a particular restricted purpose, which does not amount to pre-conditions regarding entitlement, the income is included in incoming reserves within restricted funds when received.

(c) Resources Expended

Resources expended are recognised in the Statement of Financial Activities on an accruals basis, inclusive of VAT. Individual costs are allocated between the various headings in the Statement of Financial Activities by reference to their underlying nature or the reason for which those costs were incurred, on an estimated percentage basis.

(d) Unrestricted and Restricted Funds

Unrestricted funds comprise income received or generated by reference to the general objects of the charity without further specified purpose. Such funds may however be designated by the trustees for specific purposes from time to time.

Restricted funds are those donated for a specified purpose as laid down by the donor or as the result of a specific appeal or application. Such funds are kept separate from the unrestricted funds of the charity and only related expenditure is charged against them.

GRACE CHURCH NOTTINGHAM
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES (Continued)

(e) Tangible Fixed Assets and Depreciation

In general, tangible fixed assets are only capitalised if they can be used for more than one year and cost at least £500. They are capitalised at cost or at an estimated value on receipt.

Depreciation is provided on tangible fixed assets so as to write off the cost or value, less any residual value, over their estimated useful economic lives as follows:

Freehold land	- nil
Freehold buildings	- see below *
Equipment	- 25% straight line
Fixtures and fittings	- 25% straight line

* The charity's policy is to depreciate the freehold building element of its freehold property down to estimated residual value over 50 years. Freehold property is maintained in a continued state of good repair so that the estimated residual value of the property is at least equal to its book value and is reviewed annually for any evidence of impairment. In this regard, it is the opinion of the trustees that freehold property residual value is currently in excess of its book value. Hence no depreciation is being provided on freehold property at this time.

(f) Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses on revaluation and disposals in the year.

(g) Debtors

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

(h) 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.

(i) 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.

(j) Loans and Borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

(k) Pension Costs

Contributions, which are payable into the personal pension plans of individual members of staff, are charged to the Statement of Financial Activities in the period to which they relate.

(l) Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with levels of reserves for the charity to be able to continue as a going concern.

GRACE CHURCH NOTTINGHAM
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital registered in England and Wales. The liability of each member in the event of winding up is limited to £1.

3. INCOMING RESOURCES

(a) Donations and Legacies	Unrestricted Funds		Restricted Funds		Total Funds	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Donations and gift aid offerings	341,197	-	54,729	-	395,926	-
Income tax recoverable on gift aid offerings	72,615	-	11,084	-	83,699	-
	<u>413,812</u>	<u>-</u>	<u>65,813</u>	<u>-</u>	<u>479,625</u>	<u>-</u>
	=====	=====	=====	=====	=====	=====
The charity benefits greatly from the involvement and support of its many volunteers. In accordance with accounting standards, the economic contribution of general volunteers is not measured in the accounts.						
(b) Other Trading Activities	Unrestricted Funds		Restricted Funds		Total Funds	
	2021	2020	2021	2020	2021	2020
Contribution to events	2,250	-	(635)	-	1,615	-
	<u>2,250</u>	<u>-</u>	<u>(635)</u>	<u>-</u>	<u>1,615</u>	<u>-</u>
	=====	=====	=====	=====	=====	=====
(c) Investments	Unrestricted Funds		Restricted Funds		Total Funds	
	2021	2020	2021	2020	2021	2020
Dividends receivable from equity shares	1	12,896	-	-	1	12,896
	<u>1</u>	<u>12,896</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>12,896</u>
	=====	=====	=====	=====	=====	=====
(d) Other Income	Unrestricted Funds		Restricted Funds		Total Funds	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Malawi	3,015	-	-	-	3,015	-
Foodbank	5,987	-	-	-	5,987	-
Christmas hamper project	1,065	-	-	-	1,065	-
Other	2,496	-	5,150	-	7,646	-
	<u>12,563</u>	<u>-</u>	<u>5,150</u>	<u>-</u>	<u>17,713</u>	<u>-</u>
	=====	=====	=====	=====	=====	=====
TOTAL INCOMING RESOURCES	<u>428,626</u>	<u>12,896</u>	<u>70,328</u>	<u>-</u>	<u>498,954</u>	<u>12,896</u>
	=====	=====	=====	=====	=====	=====

GRACE CHURCH NOTTINGHAM
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds		Total Funds	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Grants/Donations Payable						
External organisations	3,600	-	-	-	3,600	-
Malawi	3,648	-	-	-	3,648	-
Support fund	-	-	1,626	-	1,626	-
Manchester church plant	-	-	20,000	-	20,000	-
Grace Enterprises Nottingham Limited	-	12,896	-	-	-	12,896
	<u>7,248</u>	<u>12,896</u>	<u>21,626</u>	<u>-</u>	<u>28,874</u>	<u>12,896</u>
Activities Directly Related to the Work of the Church						
Salaries and employment costs	182,892	-	28,897	-	211,789	-
Pension costs	5,876	-	1,240	-	7,116	-
Other staff-related costs	4,084	-	-	-	4,084	-
Worship, sound and visuals	5,554	-	4,069	-	9,623	-
Church online	2,271	-	-	-	2,271	-
Communication	8,860	-	1,222	-	10,082	-
Evangelism	314	-	326	-	640	-
Events	3,174	-	72	-	3,246	-
Training	7,005	-	-	-	7,005	-
Guest speakers	250	-	259	-	509	-
Home groups	1,192	-	87	-	1,279	-
Kids and youth	4,552	-	229	-	4,781	-
Young adults	320	-	-	-	320	-
Sundays	927	-	1,645	-	2,572	-
Welcome	203	-	-	-	203	-
Hospitality	1,354	-	-	-	1,354	-
Flowers and cards	1,031	-	-	-	1,031	-
Utilities and insurance	24,931	-	372	-	25,303	-
Cleaning	11,378	-	-	-	11,378	-
Interiors and maintenance	12,910	-	2,037	-	14,947	-
Information technology	7,711	-	-	-	7,711	-
Venue hire	-	-	3,030	-	3,030	-
Social justice	13,354	-	1,287	-	14,641	-
Office costs	4,176	-	821	-	4,997	-
Expenses	1,586	-	779	-	2,365	-
Professional charges	1,154	-	312	-	1,466	-
Legal fees	2,994	-	-	-	2,994	-
Depreciation	7,264	-	-	-	7,264	-
Support Costs - see below	65,343	-	410	-	65,753	-
Governance Costs - see below	44,321	-	-	-	44,321	-
	<u>434,229</u>	<u>12,896</u>	<u>68,720</u>	<u>-</u>	<u>502,949</u>	<u>12,896</u>
TOTAL RESOURCES EXPENDED	434,229	12,896	68,720	-	502,949	12,896
Support Costs						
Salaries and employment costs	39,807	-	-	-	39,807	-
Pension costs	1,529	-	-	-	1,529	-
Bank charges, credit card charges and interest	435	-	410	-	845	-
Bank loan interest	23,572	-	-	-	23,572	-
	<u>65,343</u>	<u>-</u>	<u>410</u>	<u>-</u>	<u>65,753</u>	<u>-</u>
Governance Costs						
Salaries and employment costs	34,039	-	-	-	34,039	-
Pension costs	1,257	-	-	-	1,257	-
Accountancy fees	9,025	-	-	-	9,025	-
	<u>44,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,321</u>	<u>-</u>

GRACE CHURCH NOTTINGHAM
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:	2021	2020
	£	£
Surplus on revaluation of investments	69	-
Depreciation	7,264	-
External Accountant's fees:		
- accountancy services	6,045	-
- independent examination	2,200	-
- other services	780	-
	<u>=====</u>	<u>=====</u>

6. STAFF COSTS AND NUMBERS

	2021	2020
	£	£
Gross wages and salaries	269,530	-
Employer's national insurance	16,105	-
Employer's pension costs	9,902	-
	<u>=====</u>	<u>=====</u>
	295,537	-

Total employment benefits, including employer pension contributions for key management personnel were £89,001.

No employee received emoluments of more than £60,000.

The average number of employees engaged during the year was 17.

The charity has indemnity insurance on behalf of the trustees. The cost of the annual premium included within these financial statements is £142.

7. TRUSTEES' REMUNERATION

The following remuneration costs are permitted under the charitable company's Articles of Association:

Mrs. E. Topliss (Chair of Trustees) and Mr. J.C. Potter (Trustee) are employed by the charity and are members of the senior staff team. The salary costs included within these financial statements are £12,922 and £34,054 respectively.

Mr. B. Topliss, husband of Mrs. E. Topliss, is employed by the charity. The salary cost included within these financial statements is £42,025.

Three trustees were reimbursed a total of £399 in respect of specific business expenses.

8. TAXATION

As a registered charity, Grace Church Nottingham is exempt from tax on its income under section 505 of the Taxes Act 1988 provided it is applied for charitable purposes only.

GRACE CHURCH NOTTINGHAM
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Equipment £	Fixtures & Fittings £	Total £
Cost				
On transfer from former unincorporated charity	1,034,388	127,600	96,145	1,258,133
Additions	-	1,297	5,038	6,335
Disposals	-	-	-	-
At 31 August 2021	1,034,388	128,897	101,183	1,264,468
Accumulated Depreciation				
On transfer from former unincorporated charity	-	111,425	92,110	203,535
Charge for the year	-	3,135	4,129	7,264
Eliminated on disposal	-	-	-	-
At 31 August 2021	-	114,560	96,239	210,799
Net Book Value				
At 31 October 2020 - date of transfer	1,034,388	16,175	4,035	1,054,598
At 31 August 2021	1,034,388	14,337	4,944	1,053,669

10. FIXED ASSET INVESTMENTS

Unlisted investments:	2021	2020
<i>1 ordinary share in Grace Companies Ltd</i>	£	£
Cost at the beginning and end of year	1	1

11. CURRENT ASSET INVESTMENTS

Quoted investments:	2021	2020
<i>88 25p ordinary shares in Barclays Plc</i>	£	£
Market value on transfer from former unincorporated charity	94	-
Surplus on revaluation in year	69	-
	163	-
Historic cost	NIL	-

12. DEBTORS

	2021	2020
	£	£
Gift aid tax recoverable	15,480	-
Other debtors and prepayments	947	-
	16,427	-

GRACE CHURCH NOTTINGHAM
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

13. CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors and accruals	19,501	-
Taxation and social security	5,997	-
Bank loan	21,957	-
	<u>47,455</u>	<u>-</u>

14. CREDITORS: Amounts falling due after more than one year

	2021	2020
	£	£
Bank loan	426,167	-
	<u>426,167</u>	<u>-</u>

15. SECURED DEBTS

The following secured debts are included within creditors:	2021	2020
	£	£
Bank loan payable within one year	21,957	-
Bank loan payable after more than one year	426,167	-
	<u>448,124</u>	<u>-</u>

The above bank loan, which is with Lloyds Bank Plc, has a term of 25 years from the date of the initial advance to the former unincorporated charity in the year to 31 March 2011. The total loan interest rate was fixed at 5.65% for five years from July 2010 to July 2015 and was again fixed at 6.18% for a further 10 years from July 2015 to July 2025.

The loan is secured by a first Legal Charge over the freehold property dated 30 October 2020.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Total
	£	£	£
Fixed assets	1,050,670	-	1,050,670
Net current assets	66,018	44,395	110,413
Long term liabilities	(426,167)	-	(426,167)
	<u>690,521</u>	<u>44,395</u>	<u>734,916</u>

GRACE CHURCH NOTTINGHAM
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

17. STATEMENT OF FUNDS

	Transfer from former unincorporated charity £	Income £	Expenditure £	Transfers between Funds £	Unrealised Gain £	At 31.08.21 £
Unrestricted Funds	717,697	428,626	434,229	(21,642)	69	690,521
Restricted Funds						
Support fund	5,564	700	1,576	-	-	4,688
Together weekend	14,288	(635)	53	-	-	13,600
Newcastle church plant	1,293	26,458	13,928	(3,765)	-	10,058
Manchester church plant	-	43,805	53,163	25,407	-	16,049
	21,145	70,328	68,720	21,642	-	44,395
Total Funds	738,842	498,954	502,949	-	69	734,916

Unrestricted Funds

Of the unrestricted funds, the trustees have designated the unrestricted balance on the 'Grace Connection' bank account of £21,815 to support future strategic objectives of the charity, including partner churches in Malawi.

Restricted Funds:

Support Fund - this income is available to support those in the church who are going through financial hardship.

Together Weekend - these are funds to support a church weekend.

Newcastle Church Plant - this reflects income and expenditure in support of a church plant in Newcastle.

Manchester Church Plant - this reflects income and expenditure in support of a church plant in Manchester.

18. CONTROLLING PARTY

Throughout the current and previous year, the charity was under the control of the Board of Trustees

19. RELATED PARTY TRANSACTIONS

During the year under review, donations totalling £30,931 were received from trustees.

**20. RECONCILIATION OF NET MOVEMENTS IN FUNDS TO
CASH FLOW FROM OPERATING ACTIVITIES**

	2021 £	2020 £
Net movement in funds	(3,926)	-
Depreciation charge	7,264	-
Investment gains	(69)	-
Interest payable	23,561	-
Interest receivable	-	-
Dividends receivable	(1)	-
Increase in debtors	(4,309)	-
Decrease in creditors	(881)	-
Cash Flow from Operating Activities	21,639	-

GRACE CHURCH NOTTINGHAM
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

21. FINANCIAL INSTRUMENTS

The carrying amounts of the charity's financial instruments are as follows:

Financial Assets	2021	2020
	£	£
Measured at fair value through net income/(expenditure):		
- Current assets listed investments (note 11)	163	-
	=====	=====
Measured at amortised cost:		
- Cash at bank	141,279	-
	=====	=====
Financial Liabilities		
Measured at amortised cost:		
- Bank loans (note 15)	448,124	-
- Trade creditors and accruals (note 13)	19,501	-
- Taxation and social security (note 13)	5,997	-
	=====	=====
	473,622	-
	=====	=====

The income, expenses, net gains and net losses attributable to the charity's financial instruments are summarised as follows:

Income and Expenses	2021	2020
	£	£
Financial assets measured at fair value through net income:		
- Dividends received	1	-
Financial assets measured at amortised cost:		
- Interest received	-	-
Financial liabilities measured at amortised cost:		
- Bank loan interest	23,572	-
	=====	=====
Net Gains and Losses (including changes in fair value)		
Financial assets measured at fair value through net income/(expenditure):		
- Revaluation of investments	69	-
	=====	=====

The total interest expense for the financial liabilities that are not measured at fair value was £23,572.

22. TRANSFER OF NET ASSETS FROM FORMER UNINCORPORATED CHARITY

At midnight on 30 October 2020, this charitable company acquired all of the assets and liabilities of the former unincorporated charity. From 31 October 2020, this charitable company took over responsibility for delivery of the ongoing objectives and services.

Income and expenditure reflected through these accounts relates to activity for the 10 months from 31 October 2020 to 31 August 2021.