

Company registration number: 10973272

Charity registration number: 1175373

Grace Church Nottingham

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2023

Community Accounting Plus
Units 1 & 2 North West
41 Talbot Street
Nottingham
NG1 5GL

Grace Church Nottingham

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Grace Church Nottingham

Reference and Administrative Details

| | |
|------------------------------------|---|
| Trustees | Mrs L.E Hay Mrs E.A Topliss Dr J.D.S Walker Mr M.J Matthews Dr I.A Udueni |
| Senior Management Team | Mr B. Topliss, Senior Pastor Mrs E.A Topliss, Senior Ministry Associate Mr J. Potter, Associate Pastor Mr C. Barton, Worship, Communication & Media Mrs R.N Bunker, Home Groups, Discipleship Year and Baptisms |
| Charity Registration Number | 1175373 |
| Company Registration Number | 10973272 |
| Registered Office | The Ministry 1 Castle Boulevard Nottingham NG7 1FT |
| Independent Examiner | John O'Brien, employee of Community Accounting Plus Units 1 & 2 North West 41 Talbot Street Nottingham NG1 5GL |
| Bankers | Lloyds Bank Plc 25 Gresham Street London EC2V 7HN Co-operative Bank 15 Elder Way Chesterfield Derbyshire S40 1UX |

Grace Church Nottingham

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2023.

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

| | |
|-----------|---|
| Trustees: | Mrs L.E Hay |
| | Mrs E.A Topliss |
| | Dr J.D.S Walker |
| | Mr M.J Matthews |
| | Dr I.A Udueni (appointed 10 October 2022) |
| | Mr J. Potter (resigned 10 October 2022) |

Structure, governance and management

Nature of governing document

The charity is a company limited by guarantee and registered charity. It is operated under the rules of its memorandum and articles of association dated 20 September 2017. It has no share capital and the liability of each member in the event of winding-up is limited to £1.

Recruitment and 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.

Induction and training of trustees

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.

Arrangements for setting key management personnel remuneration

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

Organisational structure

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.

Grace Church Nottingham

Trustees' Report

Objectives and activities

Objects and aims

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

Trustees' Report

Objectives, strategies and activities

Achievements and performance

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:

- The River Church Newcastle: The River Church Newcastle launched in September 2020 and is growing in congregation size and financially. We have expectation that the River Church will grow, become an independent charity similar to Grace Church in the years to come, running many more programmes to benefit the city of Newcastle.

- Let's Go, Love Nottingham: In June 2023 as a Church, we shared the Love of God with the people of Nottingham, in word and deed. focussing our community activity in the Meadows area of the city. We ran a 3 days of project work with more than 60 people involved each day. We cleared over 15 gardens, prayer walked, ran an afternoon tea in a residential home, litter picked, did first contact evangelism, worshipped on the streets, tidied local parks, helped with the council with a community gardening and painted a local church's office space. The 3 days of activity climaxed on the Saturday with a fun day where we had around 1000 people attend and enjoy the activities provided.

- Building for the Future: In January 2023 we completed the commercial kitchen, for which we raised money in March 23. This has enabled our staff and volunteer teams to better serve Nottingham through a new commercial kitchen and led to growth in our compassion ministries, Alpha courses and ability to provide hospitality in all ministries to further the mission of the Church.

- Compassion ministries: Grace Church Compassion aims to love our city through serving it and meeting its physical and emotional needs. We run a foodbank which distributes food, warm clothes and toiletries every week to those in need. Alongside the foodbank is the ministry Family Foundations which provides a welcoming space for families in need, many of whom are refugees, to come, receive signposting and a baby parcel including formula, nappies and clothing. These ministries serve hundreds of people each year and provide a great opportunity to welcome people. We also run a fortnightly mental health support group.

- 12 o'clock service: We run a service every Wednesday which aims to be as accessible as possible to our local community. This is a great community space which includes time for prayer, worship and a short talk. We also eat a hot meal together each week after the service and have time for people to make friends and share about their lives. We also run a number of groups, for men and women separately, to meet during the week, including a group to support those in recovery from substance addiction. The service has an average attendance of 50 people and there is a wider community of around 80 people who we are in regular contact with. We run a number of events through the year for those in our community. In the summer we took a number of people to the Encounter Camp in Worcestershire for a week, which for many was their annual holiday. We also ran our annual Christmas party in December for over 75 people who had been served in our foodbank and or involved in other ministries over the year. The event was free to attend, and along with a full Christmas meal there were games and entertainment. The event finished with the distribution of gifts donated by Cornerstone Church Nottingham. 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.

Grace Church Nottingham

Trustees' Report

- Grace Enterprises: launched through Grace Church in 2017, Grace Enterprises (charity number 1189538) exists to see lives transformed through supportive employment. It does this by running sustainable businesses which employ those with multiple barriers to work. To date, over 100 individuals have been given employment, with everyone receiving the real Living Wage for each hour worked and offered holistic support and mentoring. In addition to the two established social enterprises, Radiant Cleaners and Jubilee Events, the charity launched a third business in July 2023: Half the Story LLP. This business uses the commercial kitchen at Grace Church to provide job opportunities in biscuit baking for those with a background of homelessness.

- 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 real Living Wage to all of our employees as a result of our involvement with Nottingham Citizens.

- 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 40 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 in October 2022, a free event for children of primary school age, with over 75 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 2022-23 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; 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 an Alpha course in person in the spring term where people are invited to explore Christianity and what it means to follow Jesus. We saw over 50 people attend these courses.

- Month of Prayer: In January 2023, we began 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. We found it helpful in generating prayer activity and momentum in the life of the church.

Grace Church Nottingham

Trustees' Report

- 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 3,000, 12 o'clock service 1,500, Stay & Play (Nottingham) 800, Youth 800, Christmas party 300, Nottingham Citizens 50. This equates to around 6,450 volunteer hours for existing Compassion ministries in Nottingham. Total volunteer figure, across all our activities, for those at Grace Church Nottingham and River Church Newcastle remains considerably higher, at more than 20,000 hours.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

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 2022-23, 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): 2 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 2022-23 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 2022-23 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 leadership team.

Grace Church Nottingham

Trustees' Report

Financial review

Total income amounted to £678,710 (2022: 842,465) of which £102,969 (2022: 240,421) was restricted. Expenditure of £801,19 (2022: £627,670) was incurred of which £236,320 (2022: 110,039) was for restricted purposes. At 31 August 2023, the charity had unrestricted funds of £774,980 (2022: 764,132) to spend.

The trustees are satisfied with the financial position of the organisation at 31 August 2023 and are optimistic as regards the future in terms of the church fulfilling its growth and other objectives.

Policy on reserves

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 £94,000 at 31 August 2023. This target was achieved at 31 August 2023.

Investment policy and objectives

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.

Plans for future periods

Aims and key objectives 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. We 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. Having completed phase I of the Building for the future project we plan to continue to explore options for grants to make the first floor of our building accessible to all. We will also continue to run programs and courses such as the Alpha course, foundations theology course, the bereavement Journey, marriage course, and a mental health support group.

Major risks and management of those risks

The trustees consider the main areas of risk to Grace Church Nottingham to be in the areas of finance, safeguarding, our building, health and safety and human resources. We maintain a financial reserve of two months to mitigate against any unforeseen events that might impact us financially e.g. reputational damage, a problem with our building that didn't allow us to run or a decline in the economic environment. Examples of recent events are the COVID-19 pandemic and the current cost of living crisis. We have a safeguarding trustee along with safeguarding leads for children, youth and adults. This team updates our child protection policy annually and also makes sure that the appropriate people in the church have safeguarding training and are DBS checked. Our building is regularly assessed and maintained by a member of staff. We have a trustee and member of staff who are responsible for health and safety. They regularly review and update our health and safety policies and make sure that they are implemented correctly. One of our trustees is responsible for HR and they work with a member of staff to make sure that our HR policies are up to date. These have been compiled in an employee handbook that is available to all staff. Included in the handbook are policies on whistle blowing and how to raise a complaint.

Grace Church Nottingham

Trustees' Report

Statement of Responsibilities

The trustees (who are also the directors of Grace Church Nottingham for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.


The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 23.05.2024 and signed on its behalf by:



Mrs E.A Topliss
Trustee

Grace Church Nottingham

Independent Examiner's Report to the trustees of Grace Church Nottingham ('the Company')

Independent examiner's report to the trustees of Grace Church Nottingham ('the Company')

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 August 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.


Independent examiner's statement

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 and Fellow of the Association of Charity Independent Examiners, which is one of the listed bodies.

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.



John O'Brien MSc, FAIA, FCCA, FCIE, employee of Community Accounting Plus
Fellow of the Association of Charity Independent Examiners

Units 1 & 2 North West
41 Talbot Street
Nottingham
NG1 5GL

Date: 23.05.2024

Grace Church Nottingham

Statement of Financial Activities for the Year Ended 31 August 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

| | Note | Unrestricted funds £ | Restricted funds £ | Total 2023 £ | Total 2022 £ |
|--|------|----------------------------|--------------------------|--------------------|--------------------|
| Income and Endowments from: | | | | | |
| Donations and legacies | 2 | 537,535 | 60,844 | 598,379 | 783,652 |
| Charitable activities | 3 | 35,083 | 42,125 | 77,208 | 38,018 |
| Other trading activities | 5 | 3,123 | - | 3,123 | 20,793 |
| Investment income | 6 | - | - | - | 2 |
| Total income | | <u>575,741</u> | <u>102,969</u> | <u>678,710</u> | <u>842,465</u> |
| Expenditure on: | | | | | |
| Charitable activities | 7 | <u>(564,877)</u> | <u>(236,320)</u> | <u>(801,197)</u> | <u>(627,670)</u> |
| Total expenditure | | <u>(564,877)</u> | <u>(236,320)</u> | <u>(801,197)</u> | <u>(627,670)</u> |
| Net income/(expenditure) | | 10,864 | (133,351) | (122,487) | 214,795 |
| Other recognised gains and losses | | | | | |
| Other gains/losses | | <u>(16)</u> | <u>-</u> | <u>(16)</u> | <u>(16)</u> |
| Net movement in funds | | 10,848 | (133,351) | (122,503) | 214,779 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | <u>764,132</u> | <u>185,563</u> | <u>949,695</u> | <u>734,916</u> |
| Total funds carried forward | 18 | <u>774,980</u> | <u>52,212</u> | <u>827,192</u> | <u>949,695</u> |

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for the period is shown in note 18.

The notes on pages 15 to 26 form an integral part of these financial statements.

Grace Church Nottingham

Statement of Financial Activities for the Year Ended 31 August 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

These are the figures for the previous accounting period and are included for comparative purposes

| | Note | Unrestricted funds £ | Restricted funds £ | Total 2022 £ |
|--|------|----------------------------|--------------------------|-----------------------|
| Income and Endowments from: | | | | |
| Donations and legacies | 2 | 576,770 | 206,882 | 783,652 |
| Charitable activities | 3 | 20,143 | 17,875 | 38,018 |
| Other trading activities | 5 | 5,129 | 15,664 | 20,793 |
| Investment income | 6 | 2 | - | 2 |
| Total income | | <u>602,044</u> | <u>240,421</u> | <u>842,465</u> |
| Expenditure on: | | | | |
| Charitable activities | 7 | <u>(517,631)</u> | <u>(110,039)</u> | <u>(627,670)</u> |
| Total expenditure | | <u>(517,631)</u> | <u>(110,039)</u> | <u>(627,670)</u> |
| Net income | | 84,413 | 130,382 | 214,795 |
| Transfers between funds | | (10,786) | 10,786 | - |
| Other recognised gains and losses | | | | |
| Other gains/losses | | <u>(16)</u> | <u>-</u> | <u>(16)</u> |
| Net movement in funds | | 73,611 | 141,168 | 214,779 |
| Reconciliation of funds | | | | |
| Total funds brought forward | | <u>690,521</u> | <u>44,395</u> | <u>734,916</u> |
| Total funds carried forward | 18 | <u><u>764,132</u></u> | <u><u>185,563</u></u> | <u><u>949,695</u></u> |

The notes on pages 15 to 26 form an integral part of these financial statements.

Grace Church Nottingham
(Registration number: 10973272)
Balance Sheet as at 31 August 2023

| | Note | 2023 £ | 2022 £ |
|--|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 1,043,145 | 1,045,572 |
| Investments | 22 | <u>132</u> | <u>148</u> |
| | | <u>1,043,277</u> | <u>1,045,720</u> |
| Current assets | | | |
| Debtors | 12 | 17,898 | 46,321 |
| Cash at bank and in hand | 13 | <u>183,595</u> | <u>314,641</u> |
| | | 201,493 | 360,962 |
| Creditors: Amounts falling due within one year | 14 | <u>(38,120)</u> | <u>(54,174)</u> |
| Net current assets | | <u>163,373</u> | <u>306,788</u> |
| Total assets less current liabilities | | 1,206,650 | 1,352,508 |
| Creditors: Amounts falling due after more than one year | 15 | <u>(379,458)</u> | <u>(402,813)</u> |
| Net assets | | <u>827,192</u> | <u>949,695</u> |
| Funds of the charity: | | | |
| Restricted income funds | | | |
| Restricted funds | 18 | 52,212 | 185,563 |
| Unrestricted income funds | | | |
| Unrestricted funds | | <u>774,980</u> | <u>764,132</u> |
| Total funds | 18 | <u>827,192</u> | <u>949,695</u> |

For the financial year ending 31 August 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

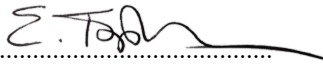
- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The notes on pages 15 to 26 form an integral part of these financial statements.

Grace Church Nottingham
(Registration number: 10973272)
Balance Sheet as at 31 August 2023

The financial statements on pages 10 to 26 were approved by the trustees, and authorised for issue on 23.05.2024 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'E. Topliss', written over a dotted line.

Mrs E.A Topliss
Trustee

The notes on pages 15 to 26 form an integral part of these financial statements.

Grace Church Nottingham

Statement of Cash Flows for the Year Ended 31 August 2023

| | Note | 2023 £ | 2022 £ |
|---|------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Net cash (expenditure)/income | | (122,503) | 214,779 |
| Adjustments to cash flows from non-cash items | | | |
| Depreciation | | 7,448 | 6,193 |
| Investment income | 6 | - | (2) |
| Revaluation of investments | | 16 | 16 |
| | | <u>(115,039)</u> | <u>220,986</u> |
| Working capital adjustments | | | |
| Decrease/(increase) in debtors | 12 | 28,423 | (29,895) |
| (Decrease)/increase in creditors | 14 | <u>(16,054)</u> | <u>5,321</u> |
| Net cash flows from operating activities | | <u>(102,670)</u> | <u>196,412</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | 11 | (5,021) | (1,096) |
| Income from dividends | 6 | <u>-</u> | <u>2</u> |
| Net cash flows from investing activities | | (5,021) | (1,094) |
| Cash flows from financing activities | | | |
| Repayment of loans and borrowings | 14 | <u>(23,355)</u> | <u>(21,956)</u> |
| Net (decrease)/increase in cash and cash equivalents | | (131,046) | 173,362 |
| Cash and cash equivalents at 1 September | | <u>314,641</u> | <u>141,279</u> |
| Cash and cash equivalents at 31 August | | <u><u>183,595</u></u> | <u><u>314,641</u></u> |
| Reconciliation of net cash flow to movement in net funds | | | |
| (Decrease)/increase in cash | | (131,046) | 173,362 |
| Cash outflow from repayment of loans | | <u>(23,355)</u> | <u>(21,956)</u> |
| Change in net (debt)/funds resulting from cash flows | | (154,401) | 151,406 |
| Net funds at 1 September 2022 | | <u>314,641</u> | <u>141,279</u> |
| Net funds at 31 August 2023 | | <u><u>160,240</u></u> | <u><u>292,685</u></u> |

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 15 to 26 form an integral part of these financial statements.

Grace Church Nottingham

Notes to the Financial Statements for the Year Ended 31 August 2023

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Grace Church Nottingham meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Investment income

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.

Grace Church Nottingham

Notes to the Financial Statements for the Year Ended 31 August 2023

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

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

| Asset class | Depreciation method and rate |
|--|------------------------------|
| General equipment | Straight line 25% |
| Fixtures & fittings | Straight line 25% |
| Buildings | No depreciation |
| The cost of land & building included in the balance sheet but not depreciated is £1,034,388. | |

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Grace Church Nottingham

Notes to the Financial Statements for the Year Ended 31 August 2023

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those grants for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Grace Church Nottingham

Notes to the Financial Statements for the Year Ended 31 August 2023

2 Income from donations and legacies

| | Unrestricted funds Designated £ | Unrestricted funds General £ | Restricted funds £ | Total 2023 £ | Total 2022 £ |
|----------------------------|--|---|-----------------------------------|-----------------------------|-----------------------------|
| Donations and legacies; | | | | | |
| Donations from individuals | 16,540 | 432,827 | 46,869 | 496,236 | 651,393 |
| Gift aid reclaimed | 2,192 | 85,976 | 13,975 | 102,143 | 132,259 |
| | <u>18,732</u> | <u>518,803</u> | <u>60,844</u> | <u>598,379</u> | <u>783,652</u> |

3 Income from charitable activities

| | Unrestricted funds General £ | Restricted funds £ | Total 2023 £ | Total 2022 £ |
|--------------------------|---|-----------------------------------|-----------------------------|-----------------------------|
| Grants | - | 41,375 | 41,375 | 17,875 |
| Foodbank | 9,338 | - | 9,338 | 6,601 |
| Christmas hamper project | 810 | - | 810 | 663 |
| Other income | 24,935 | 750 | 25,685 | 12,879 |
| | <u>35,083</u> | <u>42,125</u> | <u>77,208</u> | <u>38,018</u> |

4 Grants & donations

| | Unrestricted funds £ | Restricted funds £ | Total £ |
|-----------------|-------------------------------------|-----------------------------------|--------------------|
| Benefact Trust | - | 9,000 | 9,000 |
| Donations | 449,367 | 46,869 | 496,236 |
| Garfield Weston | - | 10,000 | 10,000 |
| National Grid | - | 8,000 | 8,000 |
| Nottingham City | - | 14,375 | 14,375 |
| | <u>449,367</u> | <u>88,244</u> | <u>537,611</u> |

5 Income from other trading activities

| | Unrestricted funds Designated £ | Total funds £ | Total 2022 £ |
|---------------------|--|------------------------------|-----------------------------|
| Events income; | | | |
| Other events income | 3,123 | 3,123 | 20,793 |
| | <u>3,123</u> | <u>3,123</u> | <u>20,793</u> |

Grace Church Nottingham

Notes to the Financial Statements for the Year Ended 31 August 2023

6 Investment income

| | Total 2023 £ | Total 2022 £ |
|--|--------------------|--------------------|
| Income from dividends; | | |
| Dividends receivable from group undertakings | - | 2 |
| | - | 2 |

7 Expenditure on charitable activities

| | Unrestricted funds Designated £ | General £ | Restricted funds £ | Total 2023 £ | Total 2022 £ |
|-----------------------------|---------------------------------------|--------------|--------------------------|--------------------|--------------------|
| Cleaning | - | 15,048 | - | 15,048 | 9,027 |
| IT & Equipment | 836 | 5,419 | - | 6,255 | 4,875 |
| Interior and maintenance | - | 20,243 | - | 20,243 | 14,829 |
| Mortgage | - | 25,686 | - | 25,686 | - |
| Office costs | - | 2,276 | - | 2,276 | 3,660 |
| Utilities & Insurance | - | 34,928 | - | 34,928 | 35,460 |
| Cards and gifts | - | 13,298 | 1,263 | 14,561 | 10,170 |
| Communication | - | 9,252 | - | 9,252 | 8,942 |
| Kids & Youth | - | 11,533 | 570 | 12,103 | 10,267 |
| Professional charges | - | 9,742 | 583 | 10,325 | 8,224 |
| Worship | - | 6,685 | 13,627 | 20,312 | 8,819 |
| Evangelism | - | 1,857 | 915 | 2,772 | 3,126 |
| Speakers & events | 1,085 | 15,637 | 557 | 17,279 | 55,757 |
| Salaries & employment costs | 13,617 | 343,592 | 33,430 | 390,639 | 362,025 |
| Training & conferences | 3,729 | 10,216 | 2,178 | 16,123 | 11,173 |
| Kitchen | - | - | 154,065 | 154,065 | - |
| Expenses | 1,624 | 1,598 | 1,687 | 4,909 | 3,116 |
| Outreach | 4,687 | 7,901 | 24,385 | 36,973 | 847 |
| Depreciation | - | 7,448 | - | 7,448 | 6,193 |
| Giving Donations | (8,100) | 5,040 | 3,060 | - | 43,080 |
| Bank charges | - | - | - | - | 1,080 |
| Bank loan interest | - | - | - | - | 27,000 |
| | 17,478 | 547,399 | 236,320 | 801,197 | 627,670 |

Grace Church Nottingham

Notes to the Financial Statements for the Year Ended 31 August 2023

8 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

| | 2023 £ | 2022 £ |
|------------------------------|--------------|--------------|
| Depreciation of fixed assets | <u>7,448</u> | <u>6,193</u> |

9 Staff costs

The aggregate payroll costs were as follows:

| | 2023 £ | 2022 £ |
|--|----------------|----------------|
| Staff costs during the year were: | | |
| Wages and salaries | 346,810 | 323,527 |
| Social security costs | 29,821 | 20,665 |
| Pension costs | <u>14,008</u> | <u>11,822</u> |
| | <u>390,639</u> | <u>356,014</u> |

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

| | 2023 No | 2022 No |
|-----------------------------|------------|------------|
| Average number of employees | <u>16</u> | <u>16</u> |

16 (2022 - 16) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £14,008 (2022 - £11,822).

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

The total employee benefits of the key management personnel of the charity were £183,824 (2022 - £108,371).

10 Charity status

The charity is a company limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

Grace Church Nottingham

Notes to the Financial Statements for the Year Ended 31 August 2023

11 Tangible fixed assets

| | Land and buildings £ | Fixtures & fittings £ | General equipment £ | Total £ |
|-----------------------|----------------------------|-----------------------------|---------------------------|------------------|
| Cost | | | | |
| At 1 September 2022 | 1,034,388 | 101,183 | 129,993 | 1,265,564 |
| Additions | - | - | 5,021 | 5,021 |
| At 31 August 2023 | <u>1,034,388</u> | <u>101,183</u> | <u>135,014</u> | <u>1,270,585</u> |
| Depreciation | | | | |
| At 1 September 2022 | - | 98,246 | 121,746 | 219,992 |
| Charge for the year | - | 2,007 | 5,441 | 7,448 |
| At 31 August 2023 | <u>-</u> | <u>100,253</u> | <u>127,187</u> | <u>227,440</u> |
| Net book value | | | | |
| At 31 August 2023 | <u>1,034,388</u> | <u>930</u> | <u>7,827</u> | <u>1,043,145</u> |
| At 31 August 2022 | <u>1,034,388</u> | <u>2,937</u> | <u>8,247</u> | <u>1,045,572</u> |

12 Debtors

| | 2023 £ | 2022 £ |
|----------------|---------------|---------------|
| Trade debtors | 1,473 | - |
| Prepayments | 1,536 | 793 |
| Accrued income | - | 21,421 |
| Gift aid | 14,889 | 24,107 |
| | <u>17,898</u> | <u>46,321</u> |

13 Cash and cash equivalents

| | 2023 £ | 2022 £ |
|--------------|----------------|----------------|
| Cash on hand | 260 | - |
| Cash at bank | <u>183,335</u> | <u>314,641</u> |
| | <u>183,595</u> | <u>314,641</u> |

Grace Church Nottingham

Notes to the Financial Statements for the Year Ended 31 August 2023

14 Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|------------------------------------|---------------|---------------|
| Bank loans | 23,355 | 23,355 |
| Trade creditors | 1,485 | - |
| Other taxation and social security | 330 | 12,914 |
| Accruals | 12,950 | 17,905 |
| | <u>38,120</u> | <u>54,174</u> |

15 Creditors: amounts falling due after one year

| | 2023 £ | 2022 £ |
|------------|----------------|----------------|
| Bank loans | <u>379,458</u> | <u>402,813</u> |

16 Fees payable to independent examiner

During the period, the fees payable (excluding VAT) to the charity's independent examiner Community Accounting Plus are analysed as follows:

| | 2023 £ | 2022 £ |
|-------------------------|--------------|--------------|
| Independent examination | 1,600 | 5,893 |
| | <u>1,600</u> | <u>5,893</u> |

17 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

Mrs E.A Topliss

Mrs E.A Topliss received remuneration of £15,117 (2022: £15,656) and £869 (2022: £892) of expenses were reimbursed to Mrs E.A Topliss during the year.

Mr M.J Matthews

£5 (2022: £160) of expenses were reimbursed to Mr M.J Matthews during the year.

Dr J.D.S Walker

£259 (2022: £1,254) of expenses were reimbursed to Dr J.D.S Walker during the year.

No trustees have received any other benefits from the charity during the year.

Grace Church Nottingham

Notes to the Financial Statements for the Year Ended 31 August 2023

18 Funds

| | Balance at 1 September 2022 £ | Incoming resources £ | Resources expended £ | Other recognised gains/(losses) £ | Balance at 31 August 2023 £ |
|---------------------------------|--|----------------------------|----------------------------|--|--------------------------------------|
| Unrestricted funds | | | | | |
| <i>General</i> | | | | | |
| General Nottingham | 728,692 | 553,887 | (547,399) | (16) | 735,164 |
| <i>Designated</i> | | | | | |
| Grace Connection | <u>35,440</u> | <u>21,854</u> | <u>(17,478)</u> | <u>-</u> | <u>39,816</u> |
| Total unrestricted funds | <u>764,132</u> | <u>575,741</u> | <u>(564,877)</u> | <u>(16)</u> | <u>774,980</u> |
| Restricted funds | | | | | |
| Building for the future | 163,739 | 35,503 | (154,065) | - | 45,177 |
| Household support | 2,540 | 14,375 | (15,875) | - | 1,040 |
| Newcastle church plant | 16,179 | 44,341 | (57,102) | - | 3,418 |
| Support fund | 3,105 | 750 | (3,845) | - | 10 |
| Together Weekend | - | - | (1,005) | - | (1,005) |
| Warm spaces fund | <u>-</u> | <u>8,000</u> | <u>(4,428)</u> | <u>-</u> | <u>3,572</u> |
| Total restricted funds | <u>185,563</u> | <u>102,969</u> | <u>(236,320)</u> | <u>-</u> | <u>52,212</u> |
| Total funds | <u><u>949,695</u></u> | <u><u>678,710</u></u> | <u><u>(801,197)</u></u> | <u><u>(16)</u></u> | <u><u>827,192</u></u> |

The specific purposes for which the funds are to be applied are as follows:

- Building for the Future - initial funds have been raised by direct appeal to church members to fund renovations to the church building including fitting of a commercial kitchen and disabled lift platform;
- Household Support Fund - Nottinghamshire County Council have provided grants to fund foodbank support, baby basics and wider essentials building on the outreach programme already operated by the church;
- Newcastle Church Plant - this reflects income and expenditure in support of a church plant in Newcastle;
- 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;
- Warm Spaces Fund - to provide a warm space and provisions for the winter weather in response to the cost of living crisis. On Wednesday afternoons we served soup and drinks. It was also used to supply some warm packs to those in need, which contained items such as blankets and warm clothing.

Grace Church Nottingham

Notes to the Financial Statements for the Year Ended 31 August 2023

| | Balance at 1 September 2021 £ | Incoming resources £ | Resources expended £ | Transfers £ | Other recognised gains/(losses) £ | Balance at 31 August 2022 £ |
|-------------------------------|--|----------------------------|----------------------------|-----------------|--|-----------------------------------|
| Unrestricted funds | | | | | | |
| <i>General</i> | | | | | | |
| General Nottingham | 690,521 | 602,044 | (517,631) | (10,786) | (16) | 764,132 |
| Restricted | | | | | | |
| Building for the future | - | 167,035 | (3,296) | - | - | 163,739 |
| Household support | - | 18,088 | (15,548) | - | - | 2,540 |
| Newcastle church plant | 10,058 | 38,801 | (29,593) | (3,087) | - | 16,179 |
| Support fund | 4,688 | 300 | (1,883) | - | - | 3,105 |
| Together Weekend | 13,600 | 15,664 | (43,201) | 13,937 | - | - |
| Manchester church plant | 16,049 | 533 | (16,518) | (64) | - | - |
| Total restricted funds | <u>44,395</u> | <u>240,421</u> | <u>(110,039)</u> | <u>10,786</u> | <u>-</u> | <u>185,563</u> |
| Total funds | <u><u>734,916</u></u> | <u><u>842,465</u></u> | <u><u>(627,670)</u></u> | <u><u>-</u></u> | <u><u>(16)</u></u> | <u><u>949,695</u></u> |

Grace Church Nottingham

Notes to the Financial Statements for the Year Ended 31 August 2023

19 Analysis of net assets between funds

| | Unrestricted | | | 2023 |
|-------------------------|----------------|-----------------|-----------------|------------------|
| | General £ | Designated £ | Restricted £ | Total funds £ |
| Tangible fixed assets | 1,043,145 | - | - | 1,043,145 |
| Fixed asset investments | 132 | - | - | 132 |
| Current assets | 109,465 | 39,816 | 52,212 | 201,493 |
| Current liabilities | (38,120) | - | - | (38,120) |
| Creditors over 1 year | (379,458) | - | - | (379,458) |
| Total net assets | <u>735,164</u> | <u>39,816</u> | <u>52,212</u> | <u>827,192</u> |

| | Unrestricted | | | 2022 |
|-------------------------|----------------|-----------------|-----------------|------------------|
| | General £ | Designated £ | Restricted £ | Total funds £ |
| Tangible fixed assets | 1,045,572 | - | - | 1,045,572 |
| Fixed asset investments | 148 | - | - | 148 |
| Current assets | 139,959 | 35,440 | 185,563 | 360,962 |
| Current liabilities | (54,174) | - | - | (54,174) |
| Creditors over 1 year | (402,813) | - | - | (402,813) |
| Total net assets | <u>728,692</u> | <u>35,440</u> | <u>185,563</u> | <u>949,695</u> |

20 Taxation

The charity is a registered charity and is therefore exempt from taxation.

21 Related party transactions

There were no related party transactions in the year.

Grace Church Nottingham

Notes to the Financial Statements for the Year Ended 31 August 2023

22 Fixed asset investments

| | 2023 £ | 2022 £ |
|-------------------|------------|------------|
| Other investments | <u>132</u> | <u>148</u> |

Other investments

| | Listed investments £ | Unlisted investments £ | Total £ |
|--------------------------|----------------------------|------------------------------|-------------|
| Cost or Valuation | | | |
| At 1 September 2022 | 147 | 1 | 148 |
| Revaluation | <u>(16)</u> | <u>-</u> | <u>(16)</u> |
| At 31 August 2023 | <u>131</u> | <u>1</u> | <u>132</u> |
| Net book value | | | |
| At 31 August 2023 | <u>131</u> | <u>1</u> | <u>132</u> |
| At 31 August 2022 | <u>147</u> | <u>1</u> | <u>148</u> |