

WORD OF GRACE CHRISTIAN FELLOWSHIP

Company Limited by Guarantee

Financial Statements

31 December 2022

WORD OF GRACE CHRISTIAN FELLOWSHIP

Company Limited by Guarantee

Financial Statements

Year ended 31 December 2022

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WORD OF GRACE CHRISTIAN FELLOWSHIP

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 December 2022

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2022.

Reference and administrative details

Registered charity name WORD OF GRACE CHRISTIAN FELLOWSHIP

Charity registration number 1184538

Company registration number

Principal office and registered office 45 DARDEN LOUGH
NEWCASTLE UPON TYNE
NE5 5YE

The trustees

Ms MABEL
MR AUGUSTINE
Ms HELEN
MR CATHERINE

Company secretary AUGUSTINE OCHEBIRI

Auditor
Chartered accountants & statutory auditor

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Trustees' responsibilities statement

The trustees, who are also directors 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).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2022

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor


Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 02/10/23 and signed on behalf of the board of trustees by:



Ms MABEL
Trustee



AUGUSTINE OCCHIBIRI
Charity Secretary

WORD OF GRACE CHRISTIAN FELLOWSHIP

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Independent Auditor's Report to the Members of WORD OF GRACE CHRISTIAN FELLOWSHIP

Year ended 31 December 2022

Opinion

We have audited the financial statements of WORD OF GRACE CHRISTIAN FELLOWSHIP (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

WORD OF GRACE CHRISTIAN FELLOWSHIP

Company Limited by Guarantee

Independent Auditor's Report to the Members of WORD OF GRACE CHRISTIAN FELLOWSHIP *(continued)*

Year ended 31 December 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

WORD OF GRACE CHRISTIAN FELLOWSHIP

Company Limited by Guarantee

Independent Auditor's Report to the Members of WORD OF GRACE CHRISTIAN FELLOWSHIP *(continued)*

Year ended 31 December 2022

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

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Company Limited by Guarantee

Independent Auditor's Report to the Members of WORD OF GRACE CHRISTIAN FELLOWSHIP *(continued)*

Year ended 31 December 2022

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Chartered accountants & statutory auditor

WORD OF GRACE CHRISTIAN FELLOWSHIP

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2022

		2022		2021
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	5	6,551	6,551	4,311
Total income		<u>6,551</u>	<u>6,551</u>	<u>4,311</u>
Expenditure				
Expenditure on charitable activities	6,7	3,670	3,670	1,808
Total expenditure		<u>3,670</u>	<u>3,670</u>	<u>1,808</u>
Net income and net movement in funds		<u>2,881</u>	<u>2,881</u>	<u>2,503</u>
Reconciliation of funds				
Total funds brought forward		(2,881)	(2,881)	—
Total funds carried forward		<u>—</u>	<u>—</u>	<u>2,503</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 10 to 15 form part of these financial statements.

WORD OF GRACE CHRISTIAN FELLOWSHIP

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Statement of Financial Position

31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	10	1,130	–
Current assets			
Cash at bank and in hand		22,191	2,503
Creditors: amounts falling due within one year	11	20,440	–
Net current assets		<u>1,751</u>	<u>2,503</u>
Total assets less current liabilities		<u>2,881</u>	<u>2,503</u>
Funds of the charity			
Unrestricted funds		2,881	2,503
Total charity funds	12	<u>2,881</u>	<u>2,503</u>

These financial statements were approved by the board of trustees and authorised for issue on 31.12.23, and are signed on behalf of the board by:



Ms MABEL
Trustee

The notes on pages 10 to 15 form part of these financial statements.

WORD OF GRACE CHRISTIAN FELLOWSHIP

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 December 2022

	2022 £	2021 £
Cash flows from operating activities		
Net income	2,881	2,503
<i>Changes in:</i>		
Trade and other creditors	8,189	—
Cash generated from operations	11,070	2,503
Net cash from operating activities	<u>11,070</u>	<u>2,503</u>
Cash flows from investing activities		
Purchase of tangible assets	(1,130)	—
Net cash used in investing activities	<u>(1,130)</u>	<u>—</u>
Cash flows from financing activities		
Proceeds from borrowings	12,251	(16,140)
Net cash from/(used in) financing activities	<u>12,251</u>	<u>(16,140)</u>
Net increase/(decrease) in cash and cash equivalents	22,191	(13,637)
Cash and cash equivalents at beginning of year	2,503	20,355
Cash and cash equivalents at end of year	<u>24,694</u>	<u>6,718</u>

The notes on pages 10 to 15 form part of these financial statements.

WORD OF GRACE CHRISTIAN FELLOWSHIP

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 45 DARDEN LOUGH, NEWCASTLE UPON TYNE, NE5 5YE.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

Estimation and Judgements are based on the normal accounting standards.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

WORD OF GRACE CHRISTIAN FELLOWSHIP

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

WORD OF GRACE CHRISTIAN FELLOWSHIP

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

WORD OF GRACE CHRISTIAN FELLOWSHIP

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by guarantee

The trustees are limited to £1 each in case of wind up.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Donations				
Donations type 1	<u>6,551</u>	<u>6,551</u>	<u>4,311</u>	<u>4,311</u>

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Activity type 1	<u>3,670</u>	<u>3,670</u>	<u>1,808</u>	<u>1,808</u>

7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Total funds 2022 £	Total fund 2021 £
Activity type 1	<u>3,670</u>	<u>3,670</u>	<u>1,808</u>

WORD OF GRACE CHRISTIAN FELLOWSHIP

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

8. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

2022	2021
£	£

The average head count of employees during the year was Nil (2021: Nil).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

9. Trustee remuneration and expenses

No trustees was paid during the year.

10. Tangible fixed assets

	Equipment £
Cost	
At 1 January 2022	–
Additions	1,130
At 31 December 2022	<u>1,130</u>
Depreciation	
At 1 January 2022 and 31 December 2022	–
Carrying amount	
At 31 December 2022	<u>1,130</u>
At 31 December 2021	<u>–</u>

11. Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans and overdrafts	12,251	–
Other creditors - desc in a/cs	8,189	–
	<u>20,440</u>	<u>–</u>

WORD OF GRACE CHRISTIAN FELLOWSHIP

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

12. Analysis of charitable funds

Unrestricted funds

	At 1 January 2022	Income	Expenditure	Transfers	At 31 December 2022
	£	£	£	£	£
General funds	(2,881)	6,551	(3,670)	—	—
Unrestricted fund 7 - desc in a/cs	—	—	—	2,881	2,881
	<u>(2,881)</u>	<u>6,551</u>	<u>(3,670)</u>	<u>2,881</u>	<u>2,881</u>

	At 1 January 2021	Income	Expenditure	Transfers	At 31 December 2021
	£	£	£	£	£
General funds	—	4,311	(1,808)	—	2,503
Unrestricted fund 7 - desc in a/cs	—	—	—	—	—
	<u>—</u>	<u>4,311</u>	<u>(1,808)</u>	<u>—</u>	<u>2,503</u>

13. Analysis of changes in net debt

	At 1 Jan 2022	Cash flows	At 31 Dec 2022
	£	£	£
Cash at bank and in hand	2,503	19,688	22,191
Debt due within one year	—	(12,251)	(12,251)
	<u>2,503</u>	<u>7,437</u>	<u>9,940</u>