

**ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr A Gorgy Dr B Maxwell Dr E Morgan Dr M Moawad
Charity number	1190506
Principal address	St Mary & St Shenouda Coptic Orthodox Church Rickman Hill Coulsdon Surrey CR5 3DS
Auditor	Rowena Walsh FCCA Manningtons Chartered Accountants 39 High Street Battle East Sussex TN33 0EE
Accountants	Holland Harper LLP 26 High Street Battle East Sussex TN33 0EA
Bankers	HSBC 79 Piccadilly London W1J 8EU Barclays Leicester Leicestershire LE87 2BB

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

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ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

The assets and activities of the unincorporated charity (registration number 29660) were transferred to the CIO effective from 1st January 2023. The names of the unincorporated charity and the CIO remain the same.

In accordance with section 27 of the Charities SORP (FRS 102) regarding a change in legal form, where a charity's work (including its purposes and beneficiary class) remain unchanged, the reconstruction should be treated as a merger involving treating the assets, liabilities and funds as though they had always been part of the same (restructured) charity. Comparative figures from the unincorporated charity are shown in the accounts.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Constitution, 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 (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charity is a trust and is governed by its Trust Deed. The objects of the charity, as set out in the governing document are to promote the religion of the Coptic Orthodox Church in the South of England.

The trustees note that the Church is not a building, but a gathering of ordinary people of different ages and backgrounds, whose lives have been changed by Jesus Christ, the Son of God. The New Testament reveals the Church as a community of people, properly taught and cared for, who by loving and serving Jesus Christ, were also committed to love and care for each other and to bring a blessing to the area in which they lived. St Mary and St Shenouda Coptic Orthodox Church; its trustees, elders and members are committed to the restoration of those New Testament principles. It is not alone in this, it is one of many Churches in the area, country and all over the world that is re-discovering the excitement of knowing Jesus Christ. The vision is to see the people of the South of England come into this experience of knowing Jesus as their Lord, Saviour and friend.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

To further the above objects and vision, the charity's main activities and achievements were as follows:

The holding of regular church services, Sunday school teaching, bible study classes and youth activities.

Most of the charity's activities are undertaken by volunteers and the charity could not operate effectively without their efforts.

Financial review

During the year income increased by £326,664 (including the gift element of £308,092 relating to properties gifted to the charity) to £669,498 and expenditure increased by £41,980 to £234,767. As a result, the surplus for the year increased by £284,684 to £434,731 and the charity's net assets increased by the same amount to £3,408,369. Net current assets decreased by £190,635 to £1,250,190.

The trustees have determined that the charity should aim to hold unrestricted cash of no less than £100,000 (which equates to about 8 months' of unrestricted expenditure) so that the charity could continue to operate should income and/or expenditure vary adversely. At the year end, the charity held unrestricted cash of £1,192,185 and the charity is complying with its reserves policy.

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Plans for future periods

The Building Project is ongoing regarding the development of the Church Hall.

Structure, governance and management

The trustees who served during the year and up to the date of signature of the financial statements were:

Dr A Gorgy
Dr B Maxwell
Dr E Morgan
Dr M Moawad

Responsibility for setting policy and for making operating decisions rests with the trustees who meet regularly to monitor the activities of the charity. HH Pope Tawadrous II appoints the church committee who in turn nominate three to five trustees as per the church constitution.

The charity's custodian trustee is HH Pope Tawadrous II, who holds the title to the property belonging to the charity, without having any management responsibilities.

The following employees are considered to be key management personnel:

Father M Assad
Father I Henein

Ongoing training opportunities are provided to ensure trustees remain informed about their legal responsibilities and best practices in governance.

Key risks and uncertainties

The charity is exposed to various risks - be they operational, financial or reputational. The trustees review the charity's activities regularly to identify significant risks and, where possible, they take appropriate measures to mitigate those risks.

The trustees' report was approved by the Board of Trustees.

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Dr A Gorgy
Trustee

Date:

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees 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).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

By order of the Board of Trustees

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Dr A Gorgy
Trustee

Date:

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

Opinion

We have audited the financial statements of St Mary & St Shenouda Coptic Orthodox Church (the 'charity') for the year ended 31 December 2023, which comprise the Statement of Financial Activities, Balance Sheet, Cashflow and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 2023 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report

Other matters

St Mary & St Shenouda Coptic Orthodox Church was not subject to an audit for the year ending 31st December 2022. Therefore there has been no audit of the comparative figures in these financial statements.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

We have nothing to report in respect of the following matters where the Charities Act 2011 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 trustee remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

The trustees 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The detection of fraud and irregularities is a primary consideration of the audit planning and is carried through to the audit completion stage. A risk assessment and preliminary analytical review is undertaken at the planning stage and areas of concern are then built into the audit strategy and testing to ensure sufficient procedures and evidence is obtained to give comfort that material irregularities and potential instances of fraud are detected where possible.

The audit team is briefed regarding any areas of concern, the potential audit risks and consequential impact. The audit team remained vigilant throughout their work and made enquiries of key management and finance personnel throughout. St Mary & St Shenouda Coptic Orthodox Church Treasurer and Chairman were consulted on any known or suspected breaches in laws and regulations along with misappropriation of funds at both the planning and completion stages of the audit. Due consideration was given to the possible use of management override and this was built into our audit strategy.

The purpose of the preliminary analytical review of the financial statements is to highlight any possible areas of concern to investigate whether the variance is expected or unexpected, based on the information obtained as part of the planning process and the current climate the charity is operating under.

Relevant audit tests had then been planned to obtain supporting documentation to ensure that they are within the charitable objectives and no misappropriation of funds by way of fraud, or misstatements. Latest accounts disclosure checklists available are also completed to ensure the accounts comply with the latest reporting framework that is applicable to the charity.

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

There are aspects of the audit which are deliberately unpredictable to assist in the detection of irregularities, such as varying how we test items which are more susceptible to fraud, year on year and by incorporating systematic sampling over the populations tested.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees in an auditors' 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Rowena Walsh FCCA (Senior Statutory Auditor)

For and on behalf of Manningtons Chartered Accountants, Statutory Auditor

39 High Street

Battle

East Sussex

TN33 0EE

Date:.....

Manningtons Chartered Accountants is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from:							
Donations and legacies	3	623,596	14,650	638,246	313,916	16,409	330,325
Investments	4	31,252	-	31,252	12,509	-	12,509
Total income		654,848	14,650	669,498	326,425	16,409	342,834
Expenditure on:							
Charitable activities	5	197,001	37,766	234,767	164,803	27,984	192,787
Total expenditure		197,001	37,766	234,767	164,803	27,984	192,787
Net income/(expenditure) and movement in funds		457,847	(23,116)	434,731	161,622	(11,575)	150,047
Reconciliation of funds:							
Fund balances at 1 January 2023		2,336,666	636,972	2,973,638	2,175,044	648,547	2,823,591
Fund balances at 31 December 2023		2,794,513	613,856	3,408,369	2,336,666	636,972	2,973,638

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

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	10		1,344,724		1,349,363
Investment property	11		813,455		183,450
			<u>2,158,179</u>		<u>1,532,813</u>
Current assets					
Debtors	12	50,143		58,443	
Cash at bank and in hand		1,212,214		1,388,736	
		<u>1,262,357</u>		<u>1,447,179</u>	
Creditors: amounts falling due within one year	13	(12,167)		(6,354)	
Net current assets			<u>1,250,190</u>		<u>1,440,825</u>
Net assets			<u><u>3,408,369</u></u>		<u><u>2,973,638</u></u>
The funds of the charity					
Restricted income funds	15		613,856		636,972
Unrestricted funds			2,794,513		2,336,666
			<u>3,408,369</u>		<u>2,973,638</u>

The financial statements were approved by the trustees on

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Dr A Gorgy
Trustee

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations		434,731		150,047	
Adjustments to cash flows from non-cash items					
Depreciation		1,489		2,127	
Loss on disposal of fixed assets		3,150		-	
		<u>439,370</u>		<u>152,174</u>	
Working Capital adjustments					
Decrease/(increase) in debtors		8,300		(58,443)	
(Decrease) / Increase in creditors		5,813		(456)	
		<u>453,483</u>		<u>93,275</u>	
Cash Flows from Investing activities					
Purchase of investment property		(630,005)		-	
Net cash used in investing activities		<u>(630,005)</u>		<u>-</u>	
Net cash used in financing activities		<u>-</u>		<u>-</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(176,522)</u>		<u>93,275</u>	
Cash and cash equivalents at beginning of year		1,388,736		1,295,461	
Cash and cash equivalents at end of year		<u>1,212,214</u>		<u>1,388,736</u>	

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

The assets and activities of the unincorporated charity (registration number 29660) were transferred to the CIO effective from 1st January 2023. The names of the unincorporated charity and the CIO remain the same.

In accordance with section 27 of the Charities SORP (FRS 102) regarding a change in legal form, where a charity's work (including its purposes and beneficiary class) remain unchanged, the reconstruction should be treated as a merger involving treating the assets, liabilities and funds as though they had always been part of the same (restructured) charity. Comparative figures from the unincorporated charity are shown in the accounts.

Charity information

St Mary & St Shenouda Coptic Orthodox Church is an Charitable Incorporated Organisation (CIO) registered with the Charity Commission in England & Wales. The charity's registered number and principal address can be found on the Charity Information page.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Constitution, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Donated goods and assets are recognised at the date of donation at the value the item originally cost the donor less any contribution or settlement costs.

Rental income is received in relation to investment properties and recognised in the year as per the signed lease agreement for the period to which it relates.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Is not depreciated (because it is not consumed by use)
Leasehold land and buildings	Is not depreciated (because it is not consumed by use)
Fixtures and fittings	15% reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is recognised at cost, which includes the purchase cost and any directly attributable expenditure.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	215,921	14,650	230,571	253,473	16,409	269,882
Donated goods	308,902	-	308,902	-	-	-
Other	98,773	-	98,773	60,443	-	60,443
	<u>623,596</u>	<u>14,650</u>	<u>638,246</u>	<u>313,916</u>	<u>16,409</u>	<u>330,325</u>

Donated goods

Freehold investment properties with a historic cost value of £630,005 were gifted to the charity during the year. The gift element (taking into account the charity having cleared the outstanding mortgage) was £308,902.

4 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Rental income	15,621	9,058
Interest receivable	15,631	3,451
	<u>31,252</u>	<u>12,509</u>

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Expenditure on charitable activities

	2023 £	2022 £
Direct costs		
Staff costs	98,925	96,905
London Diocesan Fund Contribution	19,255	24,339
Building Project Professional Fees	37,766	27,984
Costs relating to the running and maintenance of the church and its buildings.	50,342	32,244
Donations	5,236	1,838
	<u>211,524</u>	<u>183,310</u>
Share of support and governance costs (see note 6)		
Support	6,138	4,113
Governance	17,105	5,364
	<u>234,767</u>	<u>192,787</u>
Analysis by fund		
Unrestricted funds	197,001	164,803
Restricted funds	37,766	27,984
	<u>234,767</u>	<u>192,787</u>

6 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Depreciation	-	1,489	1,489	-	2,127	2,127
Loss on disposal of fixed assets		3,150	3,150	-	-	-
Insurance	3,953	-	3,953	3,279	-	3,279
Management and administrative costs	721	-	721	834	-	834
Letting agents fees	1,464	-	1,464	-	-	-
Audit fees	-	6,600	6,600	-	-	-
Independent Examiner Fee	-	-	-	-	3,237	3,237
Legal and professional	-	5,650	5,650	-	-	-
Bank charges	-	216	216	-	-	-
	<u>6,138</u>	<u>17,105</u>	<u>23,243</u>	<u>4,113</u>	<u>5,364</u>	<u>9,477</u>
Analysed between						
Charitable activities	<u>6,138</u>	<u>17,105</u>	<u>23,243</u>	<u>4,113</u>	<u>5,364</u>	<u>9,477</u>

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7	Net movement in funds	2023	2022
		£	£
	The net movement in funds is stated after charging/(crediting):		
	Fees payable for the audit of the charity's financial statements	6,600	-
	Depreciation of owned tangible fixed assets	1,489	2,127
	Loss on disposal of tangible fixed assets	3,150	-
		<u> </u>	<u> </u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
	3	3
	<u> </u>	<u> </u>

Employment costs

	2023	2022
	£	£
Wages and salaries	92,708	90,117
Social security costs	4,024	-
Other pension costs	2,193	6,788
	<u> </u>	<u> </u>
	98,925	96,905
	<u> </u>	<u> </u>

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2023	2022
	£	£
Aggregate compensation	80,157	77,091
	<u> </u>	<u> </u>

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 January 2023	1,336,289	3,150	91,643	1,431,082
Disposals	-	(3,150)	-	(3,150)
At 31 December 2023	1,336,289	-	91,643	1,427,932
Depreciation and impairment				
At 1 January 2023	-	-	81,719	81,719
Depreciation charged in the year	-	-	1,489	1,489
At 31 December 2023	-	-	83,208	83,208
Carrying amount				
At 31 December 2023	1,336,289	-	8,435	1,344,724
At 31 December 2022	1,336,289	3,150	9,924	1,349,363

11 Investment property

	2023 £
Cost	
At 1 January 2023	183,450
Additions through external acquisition	630,005
At 31 December 2023	813,455

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	43,802	58,443
Prepayments and accrued income	6,341	-
	50,143	58,443

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	12,167	6,354

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

14 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	2,193	6,788

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

15 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
Building Fund	636,972	14,650	(37,766)	613,856
Previous year:	At 1 January 2022	Incoming resources	Resources expended	At 31 December 2022
	£	£	£	£
Building Fund	648,547	16,409	(27,984)	636,972

The Building Fund comprises of donations received to help fund future improvements and building projects.

16 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
General funds	2,336,666	654,848	(197,001)	2,794,513
Previous year:	At 1 January 2022	Incoming resources	Resources expended	At 31 December 2022
	£	£	£	£
General funds	2,175,044	326,425	(164,803)	2,336,666

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 December 2023:			
Tangible assets	750,897	593,827	1,344,724
Investment properties	813,455	-	813,455
Current assets/(liabilities)	1,230,161	20,029	1,250,190
	<u>2,794,513</u>	<u>613,856</u>	<u>3,408,369</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
At 31 December 2022:			
Tangible assets	755,536	593,827	1,349,363
Investment properties	183,450	-	183,450
Current assets/(liabilities)	1,397,680	43,145	1,440,825
	<u>2,336,666</u>	<u>636,972</u>	<u>2,973,638</u>

18 Related party transactions

Transactions with related parties

During the year the charity made the following related party transactions:

Donations from Trustees

Total amount of donations received in aggregate without conditions from trustees in the year was £29,842.

At the balance sheet date the amount due to/from Donations from Trustees was £Nil (2022 - £Nil).

**ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr A Gorgy Dr B Maxwell Dr E Morgan Dr M Moawad
Charity number	1190506
Principal address	St Mary & St Shenouda Coptic Orthodox Church Rickman Hill Coulsdon Surrey CR5 3DS
Auditor	Rowena Walsh FCCA Manningtons Chartered Accountants 39 High Street Battle East Sussex TN33 0EE
Accountants	Holland Harper LLP 26 High Street Battle East Sussex TN33 0EA
Bankers	HSBC 79 Piccadilly London W1J 8EU Barclays Leicester Leicestershire LE87 2BB

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

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ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

The assets and activities of the unincorporated charity (registration number 29660) were transferred to the CIO effective from 1st January 2023. The names of the unincorporated charity and the CIO remain the same.

In accordance with section 27 of the Charities SORP (FRS 102) regarding a change in legal form, where a charity's work (including its purposes and beneficiary class) remain unchanged, the reconstruction should be treated as a merger involving treating the assets, liabilities and funds as though they had always been part of the same (restructured) charity. Comparative figures from the unincorporated charity are shown in the accounts.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Constitution, 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 (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charity is a trust and is governed by its Trust Deed. The objects of the charity, as set out in the governing document are to promote the religion of the Coptic Orthodox Church in the South of England.

The trustees note that the Church is not a building, but a gathering of ordinary people of different ages and backgrounds, whose lives have been changed by Jesus Christ, the Son of God. The New Testament reveals the Church as a community of people, properly taught and cared for, who by loving and serving Jesus Christ, were also committed to love and care for each other and to bring a blessing to the area in which they lived. St Mary and St Shenouda Coptic Orthodox Church; its trustees, elders and members are committed to the restoration of those New Testament principles. It is not alone in this, it is one of many Churches in the area, country and all over the world that is re-discovering the excitement of knowing Jesus Christ. The vision is to see the people of the South of England come into this experience of knowing Jesus as their Lord, Saviour and friend.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

To further the above objects and vision, the charity's main activities and achievements were as follows:

The holding of regular church services, Sunday school teaching, bible study classes and youth activities.

Most of the charity's activities are undertaken by volunteers and the charity could not operate effectively without their efforts.

Financial review

During the year income increased by £326,664 (including the gift element of £308,092 relating to properties gifted to the charity) to £669,498 and expenditure increased by £41,980 to £234,767. As a result, the surplus for the year increased by £284,684 to £434,731 and the charity's net assets increased by the same amount to £3,408,369. Net current assets decreased by £190,635 to £1,250,190.

The trustees have determined that the charity should aim to hold unrestricted cash of no less than £100,000 (which equates to about 8 months' of unrestricted expenditure) so that the charity could continue to operate should income and/or expenditure vary adversely. At the year end, the charity held unrestricted cash of £1,192,185 and the charity is complying with its reserves policy.

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Plans for future periods

The Building Project is ongoing regarding the development of the Church Hall.

Structure, governance and management

The trustees who served during the year and up to the date of signature of the financial statements were:

Dr A Gorgy

Dr B Maxwell

Dr E Morgan

Dr M Moawad

Responsibility for setting policy and for making operating decisions rests with the trustees who meet regularly to monitor the activities of the charity. HH Pope Tawadrous II appoints the church committee who in turn nominate three to five trustees as per the church constitution.

The charity's custodian trustee is HH Pope Tawadrous II, who holds the title to the property belonging to the charity, without having any management responsibilities.

The following employees are considered to be key management personnel:

Father M Assad

Father I Henein

Ongoing training opportunities are provided to ensure trustees remain informed about their legal responsibilities and best practices in governance.

Key risks and uncertainties

The charity is exposed to various risks - be they operational, financial or reputational. The trustees review the charity's activities regularly to identify significant risks and, where possible, they take appropriate measures to mitigate those risks.

The trustees' report was approved by the Board of Trustees.

.....

Dr A Gorgy

Trustee

Date:

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees 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).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

By order of the Board of Trustees

.....
Dr A Gorgy
Trustee

Date:

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

Opinion

We have audited the financial statements of St Mary & St Shenouda Coptic Orthodox Church (the 'charity') for the year ended 31 December 2023, which comprise the Statement of Financial Activities, Balance Sheet, Cashflow and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 2023 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report

Other matters

St Mary & St Shenouda Coptic Orthodox Church was not subject to an audit for the year ending 31st December 2022. Therefore there has been no audit of the comparative figures in these financial statements.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

We have nothing to report in respect of the following matters where the Charities Act 2011 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 trustee remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

The trustees 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The detection of fraud and irregularities is a primary consideration of the audit planning and is carried through to the audit completion stage. A risk assessment and preliminary analytical review is undertaken at the planning stage and areas of concern are then built into the audit strategy and testing to ensure sufficient procedures and evidence is obtained to give comfort that material irregularities and potential instances of fraud are detected where possible.

The audit team is briefed regarding any areas of concern, the potential audit risks and consequential impact. The audit team remained vigilant throughout their work and made enquiries of key management and finance personnel throughout. St Mary & St Shenouda Coptic Orthodox Church Treasurer and Chairman were consulted on any known or suspected breaches in laws and regulations along with misappropriation of funds at both the planning and completion stages of the audit. Due consideration was given to the possible use of management override and this was built into our audit strategy.

The purpose of the preliminary analytical review of the financial statements is to highlight any possible areas of concern to investigate whether the variance is expected or unexpected, based on the information obtained as part of the planning process and the current climate the charity is operating under.

Relevant audit tests had then been planned to obtain supporting documentation to ensure that they are within the charitable objectives and no misappropriation of funds by way of fraud, or misstatements. Latest accounts disclosure checklists available are also completed to ensure the accounts comply with the latest reporting framework that is applicable to the charity.

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

There are aspects of the audit which are deliberately unpredictable to assist in the detection of irregularities, such as varying how we test items which are more susceptible to fraud, year on year and by incorporating systematic sampling over the populations tested.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees in an auditors' 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Rowena Walsh FCCA (Senior Statutory Auditor)

For and on behalf of Manningtons Chartered Accountants, Statutory Auditor

39 High Street

Battle

East Sussex

TN33 0EE

Date:.....

Manningtons Chartered Accountants is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from:							
Donations and legacies	3	623,596	14,650	638,246	313,916	16,409	330,325
Investments	4	31,252	-	31,252	12,509	-	12,509
Total income		654,848	14,650	669,498	326,425	16,409	342,834
Expenditure on:							
Charitable activities	5	197,001	37,766	234,767	164,803	27,984	192,787
Total expenditure		197,001	37,766	234,767	164,803	27,984	192,787
Net income/(expenditure) and movement in funds		457,847	(23,116)	434,731	161,622	(11,575)	150,047
Reconciliation of funds:							
Fund balances at 1 January 2023		2,336,666	636,972	2,973,638	2,175,044	648,547	2,823,591
Fund balances at 31 December 2023		2,794,513	613,856	3,408,369	2,336,666	636,972	2,973,638

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

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	10	1,344,724		1,349,363	
Investment property	11	813,455		183,450	
			2,158,179		1,532,813
Current assets					
Debtors	12	50,143		58,443	
Cash at bank and in hand		1,212,214		1,388,736	
			1,262,357		1,447,179
Creditors: amounts falling due within one year	13	(12,167)		(6,354)	
Net current assets			1,250,190		1,440,825
Net assets			3,408,369		2,973,638
The funds of the charity					
Restricted income funds	15	613,856		636,972	
Unrestricted funds		2,794,513		2,336,666	
			3,408,369		2,973,638

The financial statements were approved by the trustees on

.....

Dr A Gorgy
Trustee

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations		434,731		150,047	
Adjustments to cash flows from non-cash items					
Depreciation		1,489		2,127	
Loss on disposal of fixed assets		3,150		-	
		<u>439,370</u>		<u>152,174</u>	
Working Capital adjustments					
Decrease/(increase) in debtors		8,300		(58,443)	
(Decrease) / Increase in creditors		5,813		(456)	
		<u>453,483</u>		<u>93,275</u>	
Cash Flows from Investing activities					
Purchase of investment property		(630,005)		-	
Net cash used in investing activities		<u>(630,005)</u>		<u>-</u>	
Net cash used in financing activities					
		<u>-</u>		<u>-</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(176,522)</u>		<u>93,275</u>	
Cash and cash equivalents at beginning of year		1,388,736		1,295,461	
Cash and cash equivalents at end of year		<u><u>1,212,214</u></u>		<u><u>1,388,736</u></u>	

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

The assets and activities of the unincorporated charity (registration number 29660) were transferred to the CIO effective from 1st January 2023. The names of the unincorporated charity and the CIO remain the same.

In accordance with section 27 of the Charities SORP (FRS 102) regarding a change in legal form, where a charity's work (including its purposes and beneficiary class) remain unchanged, the reconstruction should be treated as a merger involving treating the assets, liabilities and funds as though they had always been part of the same (restructured) charity. Comparative figures from the unincorporated charity are shown in the accounts.

Charity information

St Mary & St Shenouda Coptic Orthodox Church is an Charitable Incorporated Organisation (CIO) registered with the Charity Commission in England & Wales. The charity's registered number and principal address can be found on the Charity Information page.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Constitution, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Donated goods and assets are recognised at the date of donation at the value the item originally cost the donor less any contribution or settlement costs.

Rental income is received in relation to investment properties and recognised in the year as per the signed lease agreement for the period to which it relates.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Is not depreciated (because it is not consumed by use)
Leasehold land and buildings	Is not depreciated (because it is not consumed by use)
Fixtures and fittings	15% reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is recognised at cost, which includes the purchase cost and any directly attributable expenditure.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	215,921	14,650	230,571	253,473	16,409	269,882
Donated goods	308,902	-	308,902	-	-	-
Other	98,773	-	98,773	60,443	-	60,443
	<u>623,596</u>	<u>14,650</u>	<u>638,246</u>	<u>313,916</u>	<u>16,409</u>	<u>330,325</u>

Donated goods

Freehold investment properties with a historic cost value of £630,005 were gifted to the charity during the year. The gift element (taking into account the charity having cleared the outstanding mortgage) was £308,902.

4 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Rental income	15,621	9,058
Interest receivable	15,631	3,451
	<u>31,252</u>	<u>12,509</u>

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Expenditure on charitable activities

	2023 £	2022 £
Direct costs		
Staff costs	98,925	96,905
London Diocesan Fund Contribution	19,255	24,339
Building Project Professional Fees	37,766	27,984
Costs relating to the running and maintenance of the church and its buildings.	50,342	32,244
Donations	5,236	1,838
	<u>211,524</u>	<u>183,310</u>
Share of support and governance costs (see note 6)		
Support	6,138	4,113
Governance	17,105	5,364
	<u>234,767</u>	<u>192,787</u>
Analysis by fund		
Unrestricted funds	197,001	164,803
Restricted funds	37,766	27,984
	<u>234,767</u>	<u>192,787</u>

6 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Depreciation	-	1,489	1,489	-	2,127	2,127
Loss on disposal of fixed assets		3,150	3,150	-	-	-
Insurance	3,953	-	3,953	3,279	-	3,279
Management and administrative costs	721	-	721	834	-	834
Letting agents fees	1,464	-	1,464	-	-	-
Audit fees	-	6,600	6,600	-	-	-
Independent Examiner Fee	-	-	-	-	3,237	3,237
Legal and professional	-	5,650	5,650	-	-	-
Bank charges	-	216	216	-	-	-
	<u>6,138</u>	<u>17,105</u>	<u>23,243</u>	<u>4,113</u>	<u>5,364</u>	<u>9,477</u>
Analysed between						
Charitable activities	<u>6,138</u>	<u>17,105</u>	<u>23,243</u>	<u>4,113</u>	<u>5,364</u>	<u>9,477</u>

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7	Net movement in funds	2023	2022
		£	£
	The net movement in funds is stated after charging/(crediting):		
	Fees payable for the audit of the charity's financial statements	6,600	-
	Depreciation of owned tangible fixed assets	1,489	2,127
	Loss on disposal of tangible fixed assets	3,150	-
		<u> </u>	<u> </u>

8	Trustees
	None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9	Employees		
	The average monthly number of employees during the year was:		
		2023	2022
		Number	Number
		3	3
	Employment costs	2023	2022
		£	£
	Wages and salaries	92,708	90,117
	Social security costs	4,024	-
	Other pension costs	2,193	6,788
		98,925	96,905

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2023	2022
	£	£
Aggregate compensation	80,157	77,091
	<u> </u>	<u> </u>

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 January 2023	1,336,289	3,150	91,643	1,431,082
Disposals	-	(3,150)	-	(3,150)
At 31 December 2023	1,336,289	-	91,643	1,427,932
Depreciation and impairment				
At 1 January 2023	-	-	81,719	81,719
Depreciation charged in the year	-	-	1,489	1,489
At 31 December 2023	-	-	83,208	83,208
Carrying amount				
At 31 December 2023	1,336,289	-	8,435	1,344,724
At 31 December 2022	1,336,289	3,150	9,924	1,349,363

11 Investment property

	2023 £
Cost	
At 1 January 2023	183,450
Additions through external acquisition	630,005
At 31 December 2023	813,455

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	43,802	58,443
Prepayments and accrued income	6,341	-
	50,143	58,443

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	12,167	6,354

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

14 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	2,193	6,788

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

15 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
Building Fund	636,972	14,650	(37,766)	613,856
Previous year:	At 1 January 2022	Incoming resources	Resources expended	At 31 December 2022
	£	£	£	£
Building Fund	648,547	16,409	(27,984)	636,972

The Building Fund comprises of donations received to help fund future improvements and building projects.

16 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
General funds	2,336,666	654,848	(197,001)	2,794,513
Previous year:	At 1 January 2022	Incoming resources	Resources expended	At 31 December 2022
	£	£	£	£
General funds	2,175,044	326,425	(164,803)	2,336,666

ST MARY & ST SHENOUDA COPTIC ORTHODOX CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 December 2023:			
Tangible assets	750,897	593,827	1,344,724
Investment properties	813,455	-	813,455
Current assets/(liabilities)	1,230,161	20,029	1,250,190
	<u>2,794,513</u>	<u>613,856</u>	<u>3,408,369</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
At 31 December 2022:			
Tangible assets	755,536	593,827	1,349,363
Investment properties	183,450	-	183,450
Current assets/(liabilities)	1,397,680	43,145	1,440,825
	<u>2,336,666</u>	<u>636,972</u>	<u>2,973,638</u>

18 Related party transactions

Transactions with related parties

During the year the charity made the following related party transactions:

Donations from Trustees

Total amount of donations received in aggregate without conditions from trustees in the year was £29,842.

At the balance sheet date the amount due to/from Donations from Trustees was £Nil (2022 - £Nil).

The Trustees
St Mary & St Shenouda Coptic Orthodox Church
Rickman Hill
Coulston
Surrey
CR5 3DS

Our Ref: 99S800
27th March 2025

Dear Sirs

Audit of accounts for the year ended 31 December 2023

In accordance with our normal practice we are writing to draw your attention to various matters following our audit of the charity's accounts for the year ended 31 December 2023. We appreciate that you may already be aware of most of the matters discussed in this letter; however, it is a requirement of auditing standards that we confirm them in writing to you.

Our audit has been conducted on a test basis and thus we are unable to provide a comprehensive statement of all weaknesses which may exist in the accounting and internal control systems or of all improvements which may be made. We can only address those matters which have come to our attention as a result of the audit procedures which we have performed.

1. Expected modifications to the auditors' report

There are no expected modifications to the auditors' report.

2. Draft letter of representations

A draft of the letter of representations that we will be asking you to sign is attached.

3. Unadjusted misstatements

Errors found during the audit were identified as being below the materiality level considered 'trivial', therefore they were unadjusted in the accounts. The details of these errors are as follows:

- £2,580 under provided audit accrual as the audit fee provided for in draft accounts of £6,600 including vat was less compared to actual audit fee billed in February 2025 due to audit over-run in this first year as detailed further in report under 7-other matters relating to the audit.
- No provision made in previous years for rental arrears of £647.75, purely based on lease rental period calculations, as this has been just cash accounted in previous years.
- Charity bank account balance from last year was overstated by £74.99, this has been compounded in the year by not being corrected and just accounting for

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Partners: Alex Thomson FCA - Alan Staples BSC,FCA,CTA - Rowena Walsh FCCA - James Straughan ACA - Eleanor Williams MA(Hons) ACA

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interest movements. Even though the bank account was reconciled the balance on the reconciliation at 31.12.23 does not agree to the bank statement by this amount. This needs to be resolved this year.

- The overall net value of the unadjusted misstatements is that the Surplus is overstated by £3,302.74 and the balance sheet is understated by the same amount.

4. Material weaknesses in the accounting and internal control systems

There are no material weaknesses in the accounting and internal control systems, due to the simplicity of the records held and the small size of daily financial activity.

5. Qualitative aspects of the entity's accounting practices and financial reporting

- Recommendation to construct a systems manual on how the charity record keeps in case there is any sudden changes in personnel which is unexpected, which can happen as we have seen it with other charities. This can then delay important reporting and leave the charity open to mis-appropriation of funds and or accounting errors resulting in incorrect treatment and classification.
- Now all bank accounts have been reduced to just Barclays and HSBC has cloud based software could be considered the benefits to yourselves could be :
 - rather than having to maintain separate Income and expenditure spreadsheets this can be set up so the bank accounts connect to the software via bank feeds then all you need to do is match it to a nominal code and you will have up to date reports whenever you need them and it should make the yearend smoother as all the bank accounts would not have to be analysed out by accountant.
 - This could also aid you in producing the gift aid claims quicker by coding donations by gift aid donor, non-gift aid donor. Restricted and unrestricted, then download the reports which you could then sort by name.
 - You can attach copies of invoices to any receipts and payments, thus helping to keep complete accounting record.
- In the future Investment properties need to be either independently valued or the trustees value themselves at the end of the year to ascertain their market value. This will then be applied as a revaluation in the accounts, as Investment properties should be held at market value not historical cost in the accounts.
Due to the completion of Mayfield on 30.11.2023, and then the first rental period relating to St Mary & St Shenouda is from last December this has not been considered materially appropriate for yearend 31.12.2023.
- Fixture and Fittings Fixed asset register or inventory should be drawn up detailing all the assets held which support the cost value in the accounts of £91,643. This would then need to be updated annually to record additions or disposals, which in turn would then be updated in accounts. This is not just for accounts purposes because if you have not register or inventory list, how can you ensure you are adequately insured and prove any theft or damage without this. This could then put a financial strain on the charity if the insurance would not cover the replacement of asset.

6. Other matters required by Auditing Standards to be communicated

We can confirm that we have re-evaluated our firm's independence in connection with the audit and can confirm that we are not aware of any factors affecting our independence or objectivity and thus our ability to continue to act as auditor of the charity.

There are no other matters that we are required by auditing standards to communicate to you.

7. Other relevant matters relating to the audit

As already mentioned under 3. Unadjusted errors the audit has over-run in this first year and we feel it is important for you to understand why this has happened and that it should not have an effect in future years unless a contentious issue arises, which will be communicated at the time. Details of 2023 audit issues are as follows:

- Having no accounting systems manual had meant various conversations to understand SMASS systems then record them all in detail, whilst planning the increased level of work that would need to be undertaken to obtain audit assurance such as :
 - Verification of ownership of 74 Mayfield road as land registry checks undertaken at planning and completion both show that SMASS is not the registered owner at these points in time. So extra work had to be undertaken to gain comfort that the flats are owned by the charity.
 - More reconciliations in completeness of income and expenditure than would normally be undertaken due to the lack of systems and the cut off issues. These relate to previous years unaccounted for gift aid and accrued income provisions, over inflating this year's values, when amounts were actually received, as well as this year's provision.
- This being the first year of audit when information was requested clarification of what it is for and why it was needed, for example the related party questionnaires and ID. Most of this will not be needed every year, but will be periodically updated if there is any changes in Trustees or events to indicate up to date information is needed.
- An audit is a lot more detailed than accounts and Independent Examination as you will have discovered through the level of information requested, work undertaken and representations obtained. This needs to be undertaken to conduct an audit within auditing standards and to be able to give an opinion on the auditor's report in accounts.

We would like to take this opportunity of expressing our thanks to you for your assistance during the course of our audit.

This letter has been prepared for your private use. It should not be disclosed to a third party without our written consent, nor will we accept any responsibility whatsoever in respect of its contents to any other person.

If we can be of any further assistance please contact Mrs R T K Walsh.

Yours faithfully

Manningtons

Manningtons