

North Church UK
Unaudited Financial Statements
31 December 2022

HARRISON HOLT
Chartered Accountants
High Park Farm
Kirkbymoorside
York
YO62 7HS

North Church UK

Financial Statements

Period from 17 February 2022 to 31 December 2022

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North Church UK

Trustees' Annual Report

Period from 17 February 2022 to 31 December 2022

The trustees present their report and the unaudited financial statements of the charity for the period ended 31 December 2022.

Chair's report

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Reference and administrative details

Registered charity name	North Church UK
Charity registration number	1197955
Principal office	98 Kirkstall Road Leeds LS3 1HJ

The trustees

Ms E M Ajayi	(Appointed 17 February 2022)
Miss A C Beckwith	(Appointed 17 February 2022)
Mr J M Knight	(Appointed 17 February 2022)
Mr D C Niblock	(Appointed 17 February 2022)

Lead Pastors	David Niblock Abigail Niblock
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General Manager	Mike Mullender
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Safeguarding Senior Leader	Jon Knight
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Safeguarding Officer	Jennifer Innes (to August 2023) Jennifer Sellars (from August 2023)
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Web site	www.churchnorth.com
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Banker	Virgin Money
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Independent examiner	Philip J H Holt FCA FCIE High Park Farm Kirkbymoorside York YO62 7HS
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North Church UK

Trustees' Annual Report *(continued)*

Period from 17 February 2022 to 31 December 2022

Structure, governance and management

North Church UK ("the Church" or "the Charity") was incorporated as a charitable incorporated organisation by the Charity Commission on 17 February 2022 using the "Foundation" model Constitution where its charity trustees are the sole voting members.

Under the Constitution, the members have no liability to contribute to the assets of the Church and no personal responsibility for settling its debts and liabilities.

In May 2022, we started the church and ministry that is North Church UK. After building church in the heart of Leeds as part of Life Church Ministries since 2010, we became an independent church. We are grateful to the leaders and trustees of Life Church Ministries for facilitating this transition.

The Church is affiliated to the Assemblies of God GB and the Evangelical Alliance.

The trustees meet at least four times each year and have overall responsibility for the operation and leadership of the Charity. The trustees draw up policies and procedures within which they and the staff operate and make decisions. The trustees delegate much of the day-to-day responsibilities to the lead pastors under an agreed Schedule of Delegation, which is reviewed annually.

All of our trustees are involved with the Church and undertook trustee training provided by Stewardship in November 2022.

The trustees have arranged Trustees Indemnity insurance with a reputable insurer.

The methods adopted for the recruitment and appointment of new trustees

The Charity is currently governed by four founder trustees and the Constitution requires that there must be at least three trustees although there is no maximum number of trustees.

When a new trustee is identified, they will be provided with the following before their appointment:

- a) a copy of the current version of the Constitution;
- b) a copy of the Church's latest annual report and statement of accounts, and;
- c) information about the role and responsibilities of a trustee provided by the Charity Commission.

The policies and procedures adopted for the induction and training of trustees

At present there are no formal policies and procedures for the induction and training of new trustees. These will be developed as and when a new trustee is appointed but any new trustee would, in any event, be directed to the Charity Commission Guidance "The Essential Trustee: What you need to know"(CC3), published in May 2013 and updated in May 2018 and they would receive a briefing from the Chair which gives the necessary information about the Charity, its mission statement, strategic objectives, the history of the charity and be given a copy of the Constitution.

North Church UK

Trustees' Annual Report *(continued)*

Period from 17 February 2022 to 31 December 2022

Structure, governance and management *(continued)*

Staff

The staff team has grown from six staff at the outset in May 2022 to fourteen by the end of the financial year. Five of these staff are full time and the remainder are part time, working from one to three days a week. We have worked hard to build a healthy staff culture with regular training.

All decisions on staff pay and benefits are made by the trustees.

We have also appointed an external coach for the staff team, who is an experienced church pastor. He has monthly meetings with the staff to provide guided development and to act as a sounding board.

In addition, we have an Advisory Team which helps to bring direction to our vision and values, together with advisory input for the lead pastors.

We obtained the ISO 9001:2015 Quality Management System accreditation in November 2022.

North Church UK

Trustees' Annual Report *(continued)*

Period from 17 February 2022 to 31 December 2022

Structure, governance and management *(continued)*

The organisational structure of the charity and how decisions are made

The trustees meet regularly, generally four times a year, to manage the Church's affairs. Such meetings are minuted and records kept indefinitely.

The Lead Pastors of the Church lead the growing programme of work across Leeds and elsewhere in the UK. In addition, there are 12 staff filling a variety of roles, plus a regular core group of 100 volunteers helping to maintain the regular activities of the Church.

The day-to-day management of the Church is the responsibility of the Chair and other trustees, with the Lead Pastors and General Manager who lead on the administration, marketing, human resources, education and events.

The team responsible for the financial management of the Charity is led by the trustees. The day-to-day management of the finances is delegated to the finance team led by the General Manager, acting in accordance with the Schedule of Delegation.

The Chair and other trustees play a vital role in the development and running of the Church.

The major risks to which the Church is exposed and reviews and systems to mitigate them.

The trustees have a risk management strategy which comprises;

- a) An annual review of the risks the Church may face.
- b) The establishment of systems and procedures to mitigate those risks identified in the plan.
- c) The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise, is the responsibility of the management team.

It is acknowledged that operational and financial risks exist and the trustees take appropriate steps to mitigate these within the financial constraints imposed by available funds.

Affiliations and related parties

The Charity is affiliated to Assemblies of God UK, one of the largest Pentecostal denominations in the UK. We donate 3% of our income to Assemblies of God on a monthly basis, up to a maximum £20,000 each year.

The Charity is a member of the Evangelical Alliance.

The trustees consider that the following are related parties:

- Life Church Ministries (Company number 11973632), donated the leasehold improvements and equipment to North Church UK and is a guarantor for the lease of the building occupied by the Church.

Transaction and balances with related parties are set out in Note 27.

North Church UK

Trustees' Annual Report *(continued)*

Period from 17 February 2022 to 31 December 2022

Objectives and activities

The objects of North Church UK ("the Church") are, for the benefit of the public:

- (a) to advance the Christian faith in accordance with the Statement in such ways and in such parts of the United Kingdom or the world as the trustees from time to time may think fit;
- (b) to relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, good or services of any kind including the provision of counselling and support in such parts of the United Kingdom or the world as the trustees from time to time think fit;
- (c) to advance education of the Christian Faith in such ways and in such parts of the United Kingdom or the world as the trustees from time to time may think fit.

The Church carries out typical activities of a Christian church e.g. public worship, teaching and training, prayer, projects of a charitable nature, the extension of the Christian faith in Leeds and beyond, the spiritual and practical support of other Christian churches and its own congregation.

Public benefit

The trustees confirm that they have had regard to the Charity Commission guidance on public benefit when reviewing the charity's purpose and vision, and in deciding which activities the charity should undertake. The trustees are confident that the charity meets the public benefit requirements, as this is core to our overall purpose.

Volunteers

The Charity has over 100 active volunteers and the trustees are immensely grateful for their commitment to see how they support the charity in giving time, effort and support to all the causes we are involved in.

North Church UK

Trustees' Annual Report *(continued)*

Period from 17 February 2022 to 31 December 2022

Objectives and activities *(continued)*

The Charity's activities focus on delivering spiritual and practical high quality projects and services, to meet the Church's principal aims and objectives. At the start of our church and organisation, we established our vision, our values and our pursuits:

Our vision is to be a church 'For the City' - that the city of Leeds would be better as a result of us being here.

Our values are clear:

- Jesus is who we love to follow.
- People are who we love to serve.
- The Word is how we love to grow.
- Community is how we love to live.

Our values then underpin our mission, which we have identified as twelve pursuits:

- A community of all kinds of people who love all kinds of people.
- A community of kind, humble, confident and generous people who love to give their lives to serve God.
- A community of people who aim to grow and live Christlike in character and deed, empowered by the Holy Spirit.
- A community of people who love to worship.
- A community of friends who love to build church with friends.
- A community of people who love fun, celebrate fun and include others to have fun.
- A community of people who desire to share the gospel boldly in their locality and see people turn to Jesus.
- A community of people who commit to see a young generation connect with God.
- A community of people who love to use their God given creativity, gifting and energy to impact the world.
- A community of people who feel empowered to thrive in their place of study, workplace and home.
- A community of people who love and serve people to see God transform lives.
- A community of people who believe God can do the impossible.

Located in central Leeds, the Church gathers every Sunday and has ministries taking place inside and outside of the premises throughout the week.

The church community engages in the following:

- Small groups which meet fortnightly in people's homes throughout the region;
- Training and development nights such as volunteer team training and vision nights, plus worship and production team training;
- Youth ministry every week for young people aged 11 to 18 which has become such a success, meeting the needs of over 60 young people.
- Young adults ministry meeting the needs of young adults aged 18 to 30 fortnightly through services, small groups, socials and residential weekends.
- Men's and women's gatherings.
- Alpha courses.

The Church staff are incredibly well supported by an army of dedicated volunteers from the church community, with a broad spectrum of skills and experience in a variety of settings. The average number of volunteers each week is 100 with over 200 at specific times, such as our annual Christmas production and special Easter weekend events.

North Church UK

Trustees' Annual Report *(continued)*

Period from 17 February 2022 to 31 December 2022

Objectives and activities *(continued)*

Policy on grant making

Our policy outlines how grants may be made and the priorities for providing support. Our aims are advancement of the Christian faith and relief of poverty within local communities and across the world, so recipients of grants are chosen based on their adherence to our charitable objects. Grants will be made for the public benefit by funding activities which will allow our objects to be fulfilled.

Achievements and performance

It has been a joy to see the Church become so united in vision, so strong at its core and so creative in reaching people.

Sunday services - our services have significantly grown to over 800 adults and children who are from all backgrounds, ethnicities and ages. Each week the building is full and our Kids Church is bursting with children. Once a month, we have an evening service which has also been well attended.

We hosted our first Christmas event called 'This is Christmas' which was a creative presentation of the Christmas story and at Easter, we hosted a huge weekend on Good Friday and Easter Sunday.

We have also launched a new Bible School on a fortnightly basis and over 100 people completed the first module. The plan is for a new module to commence each term.

Community work - our commitment to serve the people in our region has grown from strength to strength. Our weekly community café provides a hot meal, clothing, conversation and support to over 35 people predominantly from marginalised and socially or economically disadvantaged backgrounds. It has been wonderful to see this community grow and become integrated into the life of the church.

We continue to provide weekly food parcels to families and individuals in the community by working in partnership with local supermarkets, businesses and schools.

At Christmas we provided 1,100 Christmas food hampers to families in the area and at Easter we also gave out over 2,500 Easter eggs to children in the local schools.

We agreed a new ten years lease with the landlord of the building we occupy in September 2022. We have made considerable improvements to the building by redecorating some areas, upgrading the heating systems, adding furniture and carrying out necessary remedial work on the electrical installation.

North Church UK

Trustees' Annual Report *(continued)*

Period from 17 February 2022 to 31 December 2022

Financial review

Review of financial activities

Total income includes assets which were donated to North Church by Life Church Ministries and Streetwise-Love Leeds.

Income for the general running of the Church during the period came primarily from donations of members and other private individuals. Income to general funds remained fairly stable. Income to restricted funds was granted by a number of donors, including LCCT for a community café.

Expenditure during the year from the general fund related to the normal running costs including: salaries and expenses of the employees, venue hire, training, support costs and office costs with the full return to in-person gatherings. The overall result on general funds was a surplus before transfers to other funds.

The Church makes a practice of giving to other charitable bodies whose aims are consistent with the Charity's Objectives in the Constitution. Donations are also made to individuals, including, but not restricted to participants of the Church (this is normally in cases of hardship). All such giving is consistent with the Grant Making Policy.

Transactions and financial position

During the period, the Charity received donations amounting to £352,222, related Gift Aid claims of £42,920 and grant funding totalling £7,250.

The total expenditure on charitable activities amounted to £423,032 with governance and other resources expensed totalling £15,705 during the year.

The total reserves at the year end were £459,059. The total fixed assets of the charity amounted to £249,445.

At the end of 2022, the general unrestricted free reserves of the Charity were £197,413.

The trustees set an agreed budget for each financial year. The lead pastors have authority, with relevant consultation with the trustees, to work within this budget. Any expenditure which is more than 5% above budget needs to be agreed by the trustees.

The trustees manage the finances of the Church to ensure that all of the income is used to further the charitable purposes of the charity. When the reserves of the Church rise above the targeted level the trustees will take action to use the surplus in connection with those purposes. If the trustees know of future costs that justify higher than the policy level of reserves these will be explained in the quarterly management accounts and the year end report.

North Church UK

Trustees' Annual Report *(continued)*

Period from 17 February 2022 to 31 December 2022

Financial review *(continued)*

Significant events that have affected financial performance and financial position during the period

There were no significant events that influenced this year's financial performance.

Principal funding sources and how they support key objectives

The Charity's principal funding source is its members giving to Church funds. This is a direct representation of how they are wanting to see our objectives met and how they can support that financially not just with time.

Reserves policy

The trustees recognise the importance of a reserves policy to demonstrate good stewardship and financial management, to ensure that the charity is sustainable for the future by managing any unforeseen financial challenges. Our policy is to maintain unrestricted funds at a sufficient level for all management and administrative costs and other ongoing financial commitments to be met for a minimum of three months. These reserves are currently held in cash at the bank and in interest bearing instant access or short notice deposit accounts with reputable financial institutions.

We will also ensure that excessive funds are not held without any identifiable reason or for any identifiable charitable purpose.

At present, the free unrestricted reserves of the Charity show a surplus of £197,413. This represents just over four months of spending on charitable activities and support and governance costs. The Trustees consider the current level of free reserves to be broadly in line with the reserves policy and are reviewing their commitments compared to the policy.

Investment policy

No long-term investments are held by the Church, as the trustees believe the Church's ongoing income is stable and the trustees consider that it will be possible to make fundraising or cost-saving action in good time should it be necessary.

Risks and uncertainties

The trustees have assessed the major risks to which the Charity is exposed, and are satisfied that adequate systems and controls are in place to mitigate exposure to such risks. These risks are managed and assessed on an ongoing basis and will be mitigated against as necessary, so that the charity is not exposed to undue risk.

North Church UK

Trustees' Annual Report *(continued)*

Period from 17 February 2022 to 31 December 2022

Plans for future periods

We will continue to pursue our vision throughout 2023 and into 2024, by developing what we have started in 2022, and believe that we will see continued growth in the various areas of the work as we stay true to the principle of seeking first the Kingdom of God. We are now looking at how we can arrange to accommodate more people at our Sunday services and have started the process of finding additional space to use, to give us more room to develop and extend our community and outreach projects in particular.

We remain focused on developing our various activities to strengthen spiritual well-being, build caring and supportive communities, advance the Christian faith and develop leadership and ministry skills.

We will continue to deliver our existing activities as well as establishing new projects which clearly meet the charity's aims and objectives for the public benefit, and which add real value for the people in our local communities.

The trustees' annual report was approved on .20 October 2023 and signed on behalf of the board of trustees by:

MS E M AJAYI

Trustee

North Church UK

Independent Examiner's Report to the Trustees of North Church UK

Period from 17 February 2022 to 31 December 2022

I report to the trustees on my examination of the financial statements of North Church UK ('the charity') for the period ended 31 December 2022.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

PHILIP J H HOLT FCA FCIE

Independent Examiner

High Park Farm
Kirkbymoorside
York
YO62 7HS

20 October 2023

North Church UK

Statement of Financial Activities

Period from 17 February 2022 to 31 December 2022

		Period from 17 Feb 22 to 31 Dec 22		
	Note	Unrestricted funds £	Restricted funds £	Total funds £
Income and endowments				
Donations and legacies	4	861,016	34,464	895,480
Other trading activities	5	22,934	4,068	27,002
Investment income	6	269	–	269
Total income		<u>884,219</u>	<u>38,532</u>	<u>922,751</u>
Expenditure				
Expenditure on raising funds:				
Costs of raising donations and legacies	7	1,796	154	1,950
Costs of other trading activities	8	22,718	286	23,005
Expenditure on charitable activities	9,10	399,396	39,342	438,737
Total expenditure		<u>423,910</u>	<u>39,782</u>	<u>463,692</u>
Net income		<u>460,309</u>	<u>(1,250)</u>	<u>459,059</u>
Transfers between funds		(6,953)	6,953	–
Net movement in funds		<u>453,356</u>	<u>5,703</u>	<u>459,059</u>
Reconciliation of funds				
Total funds brought forward		–	–	–
Total funds carried forward		<u>453,356</u>	<u>5,703</u>	<u>459,059</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 15 to 26 form part of these financial statements.

North Church UK

Statement of Financial Position

31 December 2022

	Note	31 Dec 22 £
Fixed assets		
Tangible fixed assets	17	249,445
Current assets		
Debtors	18	32,937
Cash at bank and in hand		231,601
		<u>264,538</u>
Creditors: amounts falling due within one year	19	54,924
Net current assets		<u>209,614</u>
Total assets less current liabilities		<u>459,059</u>
Net assets		<u>459,059</u>
Funds of the charity		
Restricted funds		5,703
Unrestricted funds		453,356
Total charity funds	22	<u>459,059</u>

These financial statements were approved by the board of trustees and authorised for issue on 20 October 2023, and are signed on behalf of the board by:

MS E M AJAYI
Trustee

MR D C NIBLOCK
Trustee

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

North Church UK

Statement of Cash Flows

Period from 17 February 2022 to 31 December 2022

	Note	31 Dec 22
	24	£
Cash generated from operations		235,849
Interest received		269
Net cash from operating activities		<u>236,118</u>
Cash flows from investing activities		
Purchase of tangible assets		(4,517)
Net cash used in investing activities		<u>(4,517)</u>
Net increase in cash and cash equivalents		231,601
Cash and cash equivalents at beginning of period		—
Cash and cash equivalents at end of period		<u>231,601</u>

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

North Church UK

Notes to the Financial Statements

Period from 17 February 2022 to 31 December 2022

1. General information

North Church UK is a public benefit entity and is registered as a Charitable Incorporated Organisation in England. The address of the principal office is 98 Kirkstall Road, Leeds, LS3 1HJ.

2. Statement of compliance

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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 issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

3. Accounting policies

Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

The current accounting period was the period from 17 February 2022 to 31 December 2022.

The significant accounting policies applied in the preparation of these financial statements are set out below.

Going concern

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

Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are the levels of future funding and expenditure on charitable activities.

North Church UK

Notes to the Financial Statements *(continued)*

Period from 17 February 2022 to 31 December 2022

3. Accounting policies *(continued)*

Income tax

As a charity, North Church UK is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

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.

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.

North Church UK

Notes to the Financial Statements *(continued)*

Period from 17 February 2022 to 31 December 2022

3. Accounting policies *(continued)*

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.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line 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.

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.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	20% straight line
Equipment	-	20% straight line
Leasehold improvements	-	10% straight line

North Church UK

Notes to the Financial Statements *(continued)*

Period from 17 February 2022 to 31 December 2022

3. Accounting policies *(continued)*

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 are largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

A financial asset or a financial liability is recognised only when the entity 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 value of the cash or other consideration expected to be paid or received and not discounted.

North Church UK

Notes to the Financial Statements *(continued)*

Period from 17 February 2022 to 31 December 2022

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Individual giving	309,980	8,641	318,621
Trusts and Foundations	2,000	–	2,000
Limited companies	15,576	16,025	31,601
Gift Aid tax recovered	40,372	2,548	42,920
Gifts			
Soul Church Ltd	1,000	–	1,000
Streetwise-Love Leeds Ltd	2,594	–	2,594
Via charitable giving portals	219,179	–	219,179
Grants			
Leeds Christian Community Trust	–	7,250	7,250
Other donations and legacies			
Life Church Ministries	270,315	–	270,315
	<u>861,016</u>	<u>34,464</u>	<u>895,480</u>

5. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Fundraising events	3,982	–	3,982
Shop income	120	4,068	4,188
Letting and licensing	18,832	–	18,832
	<u>22,934</u>	<u>4,068</u>	<u>27,002</u>

North Church UK

Notes to the Financial Statements *(continued)*

Period from 17 February 2022 to 31 December 2022

6. Investment income

	Unrestricted Funds	Total Funds 2022
	£	£
Bank interest receivable	216	216
Other interest receivable	53	53
	<u>269</u>	<u>269</u>

7. Costs of raising donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£
Costs of raising donations and legacies	<u>1,796</u>	<u>154</u>	<u>1,950</u>

8. Costs of other trading activities

	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£
Shop costs	6,336	–	6,336
Staging events	5,513	(28)	5,486
Advertising and publicity	10,869	314	11,183
	<u>22,718</u>	<u>286</u>	<u>23,005</u>

9. Expenditure on charitable activities by fund type

	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£
Advance Christian faith	214,336	27,524	241,860
Relieve sickness and hardship	1,488	11,618	13,106
Support costs	183,572	200	183,771
	<u>399,396</u>	<u>39,342</u>	<u>438,737</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly	Grant funding of activities	Support costs	Total funds 2022
	£	£	£	£
Advance Christian faith	227,832	14,028	166,385	408,245
Relieve sickness and hardship	9,372	3,734	1,681	14,787
Governance costs	–	–	15,705	15,705
	<u>237,204</u>	<u>17,762</u>	<u>183,771</u>	<u>438,737</u>

North Church UK

Notes to the Financial Statements *(continued)*

Period from 17 February 2022 to 31 December 2022

11. Analysis of support costs

	Advance Christian faith £	Relieve sickness and hardship £	Governance costs £	Total 2022 £
Staff costs	35,798	362	4,624	40,784
Premises	45,371	458	—	45,829
Communications and IT	460	5	—	465
General office	23,329	236	—	23,565
Travel and subsistence	4,543	46	—	4,589
Accounting and examination fees	—	—	3,200	3,200
Depreciation	26,618	269	—	26,887
Technicians and audio visual costs	5,078	51	—	5,129
Staff training and welfare	6,875	69	—	6,944
Equipment expensed	18,313	185	—	18,498
Legal and professional fees	—	—	7,881	7,881
	<u>166,385</u>	<u>1,681</u>	<u>15,705</u>	<u>183,771</u>

12. Analysis of grants

	Period from 17 Feb 22 to 31 Dec 22 £
Grants to institutions	
Life Church - Bradford	10,463
Zarach	1,000
Soul Church	1,000
Ordinary Hero	700
Sports Chaplaincy	565
	<u>13,728</u>
Grants to individuals	
42 Grants to individuals	<u>4,034</u>
Total grants	<u>17,762</u>

13. Net income

Net income is stated after charging/(crediting):

	31 Dec 22 £
Depreciation of tangible fixed assets	26,887
Operating lease rentals	<u>18,282</u>

North Church UK

Notes to the Financial Statements *(continued)*

Period from 17 February 2022 to 31 December 2022

14. Independent examination fees

	Period from 17 Feb 22 to 31 Dec 22 £
Fees payable to the independent examiner for:	
Independent examination of the financial statements	600
Other financial services	2,600
	<u>3,200</u>

15. Staff costs

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

	Period from 17 Feb 22 to 31 Dec 22 £
Wages and salaries	136,318
Social security costs	11,473
Employer contributions to pension plans	2,757
Other employee benefits	263
	<u>150,811</u>

The average head count of employees during the period was 12. The average number of full-time equivalent employees during the period is analysed as follows:

	31 Dec 22 No.
Direct charitable activities	4
Support	1
Trustee	1
	<u>6</u>

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

North Church UK

Notes to the Financial Statements *(continued)*

Period from 17 February 2022 to 31 December 2022

16. Trustee remuneration and expenses

Included within staff costs were salary costs for the Lead Pastor, who is a paid trustee in accordance with the Articles of the charitable incorporated organisation and as permitted by the Charity Commission.

The salary amounted to £34,120, social security costs amounted to £4,135 and pensions amounted to £881. There were no other benefits in kind.

One trustee was reimbursed for expenses in relation to charitable trading, direct charitable activities, support costs and the acquisition of fixed assets amounting to £1,466.

During the period, the charity purchased insurance to protect it from loss arising from the neglect or defaults of its trustees, employees or agents, or to indemnify its trustees, employees or agents, against the consequences of any neglect or default on their part. The premium paid was £431.

17. Tangible fixed assets

	Fixtures and fittings £	Equipment £	Leasehold improvements £	Total £
Cost				
At 17 February 2022	—	—	—	—
Additions	1,500	4,517	—	6,017
Transfer from Life Church Ministries	124,770	—	145,545	270,315
At 31 December 2022	<u>126,270</u>	<u>4,517</u>	<u>145,545</u>	<u>276,332</u>
Depreciation				
At 17 February 2022	—	—	—	—
Charge for the period	16,836	348	9,703	26,887
At 31 December 2022	<u>16,836</u>	<u>348</u>	<u>9,703</u>	<u>26,887</u>
Carrying amount				
At 31 December 2022	<u>109,434</u>	<u>4,169</u>	<u>135,842</u>	<u>249,445</u>

18. Debtors

	31 Dec 22 £
Trade debtors	19,091
Prepayments and accrued income	13,846
	<u>32,937</u>

North Church UK

Notes to the Financial Statements *(continued)*

Period from 17 February 2022 to 31 December 2022

19. Creditors: amounts falling due within one year

	31 Dec 22 £
Trade creditors	29,138
Accruals and deferred income	14,913
Social security and other taxes	9,997
Other creditors	876
	<u>54,924</u>

20. Deferred income

	31 Dec 22 £
Amount deferred in period	<u>6,730</u>

21. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £2,757.

22. Analysis of charitable funds

Unrestricted funds

	At 17 February 2022 £	Income £	Expenditure £	Transfers £	At 31 December 2022 £
General funds	–	607,887	(397,023)	(6,953)	203,911
Fixed Asset Fund	–	276,332	(26,887)	–	249,445
	<u>–</u>	<u>884,219</u>	<u>(423,910)</u>	<u>(6,953)</u>	<u>453,356</u>

Fixed Asset Fund: The Fixed Asset Fund was established by the Trustees as a Designated Fund. This fund represents the additions and changes in the net book value of the tangible fixed assets of the charity as these are assets used by the charity in the performance of its charitable activities.

North Church UK

Notes to the Financial Statements *(continued)*

Period from 17 February 2022 to 31 December 2022

22. Analysis of charitable funds *(continued)*

Restricted funds

	At 17 February 2022 £	Income £	Expenditure £	Transfers £	At 31 December 2022 £
For the City Fund	–	5,504	(1,647)	–	3,857
Christmas Fund	–	11,108	(18,061)	6,953	–
Community Café Fund	–	8,344	(6,498)	–	1,846
Rent Fund	–	13,576	(13,576)	–	–
	<u>–</u>	<u>38,532</u>	<u>(39,782)</u>	<u>6,953</u>	<u>5,703</u>

For the City Fund: The For the City Fund was established by the pastors raising funds from collections and special giving to support the "For the City" programme of events and activities.

Christmas Fund: The Christmas Fund was established by the pastors raising funds from collections and special giving to celebrate Christmas in a number of ways.

Community Café Fund: The Community Café Fund was established by Leeds Christian Community Trust and Streetwise - Love Leeds to support the onsite community café.

Rent Fund: The Rent Fund was established by a private donor to support the initial rental costs for the church premises.

23. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	249,445	–	249,445
Current assets	258,835	5,703	264,538
Creditors less than 1 year	(54,924)	–	(54,924)
Net assets	<u>453,356</u>	<u>5,703</u>	<u>459,059</u>

North Church UK

Notes to the Financial Statements *(continued)*

Period from 17 February 2022 to 31 December 2022

24. Cash generated from operations

	31 Dec 22
	£
Net income	459,059
<i>Adjustments for:</i>	
Depreciation of tangible fixed assets	26,887
Other interest receivable and similar income	(269)
Accrued expenses	8,183
Non cash adjustment for donated assets	(271,815)
<i>Changes in:</i>	
Trade and other debtors	(32,937)
Trade and other creditors	46,741
	<u>235,849</u>

25. Analysis of changes in net debt

	At 17 Feb 2022	Cash flows	At 31 Dec 2022
	£	£	£
Cash at bank and in hand	<u>—</u>	<u>231,601</u>	<u>231,601</u>

26. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	31 Dec 22
	£
Later than 1 year and not later than 5 years	29,939
Later than 5 years	794,225
	<u>824,164</u>

27. Related parties

By Agreement signed 2 October 2022, Life Church Ministries, a related party by virtue of Ms E M Ajayi being a director and trustee in common, transferred the operations and assets of the Leeds Campus to North Church UK for consideration of £1. The market value of the assets was £270,315.

During the period, the Charity paid £47,351 to Life Church Ministries for rent and other charitable expenses and received £8,101 in respect of donations. There were no balances outstanding at 31 December 2022.

During the period, the Charity paid £15,968 to Abundant Life Resources Limited, a subsidiary of Life Church Ministries, in respect of hire purchase lease obligations on assets hired by the Charity.

During the period, one trustee was reimbursed £1,466 in respect of expenses and all four trustees make donations to the Charity which in aggregate, including Gift Aid, totalled £20,196.