

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
FOR
HANDCROFT CHAPEL

Averillo & Associates
Chartered Accountants
16 South End
Croydon
Surrey
CR0 1DN

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The trustees present their report with the financial statements of the charity for the year ended 31 March 2020. The trustees have adopted the provisions of 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

Objectives and aims for the public benefit

The charity is established for the advancement of the Christian religion both in South London and overseas, and secondarily for the relief of need, hardship and distress.

The charity owns a place of worship where it provides twice weekly Bible based Christian teaching available to the local community. Services are streamed live to other churches overseas and viewed by a wider audience via an archive facility on the website. The charity provides a variety of other services including, ministry and support for young people, Christian counselling, Sunday School classes, relief of hardship and help with spiritual needs. Periodic missionary visits are made overseas and aid is granted to other Christians and churches in poorer countries as need dictates.

The trustees are satisfied that the charity has performed well this year and has delivered public benefit.

ACHIEVEMENT AND PERFORMANCE

The congregation regularly attending local services has remained constant at between 75 and 100 believers. The numbers joining live streamed services from overseas has continued to increase particularly from the Indian subcontinent since the services have started to be translated into Hindi. Currently they are translated into four languages French, Spanish, Romanian and most recently Hindi. The church website is updated on a twice weekly basis and is used extensively by our overseas membership many of whom support the church financially. This is a facility which is also used widely by our elderly, sick or disabled members. As well as providing church services on Sundays and Wednesdays evenings, there are also youth services (usually on a Saturday), Sunday School for children aged 3-11 years every Sunday, "Alpha Classes" for children aged 11-16 years as well as a crèche facility on Sundays and activities for young people arranged at intervals by the Youth Ministry Team throughout the year. It is worth noting that these activities have had to be discontinued during periods of national lockdown, and since March scaled back and adjusted in accordance with Government guidance for the safe use of places of worship.

Missionary work this year has been significantly reduced due to the effect of the global pandemic.

Our impact on the local community is principally by providing a place of worship and regular twice weekly services. The following facilities continue to be provided: marriage counselling, relief for distressed families, spiritual guidance, poverty and hardship relief, the sponsoring of ministries for inter-church conferences and providing support to the elderly and sick. This year we have seen many needs arise as a direct result of unemployment and hardship caused by the pandemic. We have done our best to try and relieve this as funds have allowed.

FINANCIAL REVIEW

Investment policy and objectives

The trust deed authorises the trustees to make and hold investments using the general funds of the charity, but no such investments are presently held.

Reserves policy

It is the policy of the charity to maintain unrestricted funds at a level, which equates to approximately £15,000 unrestricted expenditure. This provides sufficient funds to cover management, administration and support costs. Unrestricted funds are maintained at least at this level throughout the year.

There was a surplus of £20,475 in the year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity was established by Pastor Kevin Blewett on 4 February 1996 and is constituted by a deed of trust, and was registered with the Charity Commission in September 2000.

HANDCROFT CHAPEL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The trustees are appointed from the membership of the church on an annual basis in accordance with the constitution.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1082686

Principal address

Handcroft Chapel
Sylverdale Road
Purley
Surrey
CR8 2DT

Trustees

R J McKie
A Shepherd-Prince
W W Chapman
Dr M O King
L Soosaipillai

Independent Examiner

Peter Nellemose
Chartered Accountant
Averillo & Associates
Chartered Accountants
16 South End
Croydon
Surrey
CR0 1DN

Secretary

David Lees

Treasurer

Mark Njoroge

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees 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, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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.

Approved by order of the board of trustees on 24 January 2021 and signed on its behalf by:

R J McKie - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
HANDCROFT CHAPEL

Independent examiner's report to the trustees of Handcroft Chapel

I report to the charity trustees on my examination of the accounts of Handcroft Chapel (the Trust) for the year ended 31 March 2020.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of Chartered Accountant 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 Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts 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.

Peter Nellesmose
Chartered Accountant
Averillo & Associates
Chartered Accountants
16 South End
Croydon
Surrey
CR0 1DN

24 January 2021

HANDCROFT CHAPEL

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		281,260	-	281,260	325,585
Investment income	2	286	-	286	79
Total		281,546	-	281,546	325,664
EXPENDITURE ON					
Other		261,071	-	261,071	255,084
NET INCOME		20,475	-	20,475	70,580
RECONCILIATION OF FUNDS					
Total funds brought forward		786,857	125,277	912,134	841,554
TOTAL FUNDS CARRIED FORWARD		807,332	125,277	932,609	912,134

The notes form part of these financial statements

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BALANCE SHEET
31 MARCH 2020

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	5	969,875	125,277	1,095,152	1,107,472
CURRENT ASSETS					
Debtors	6	37,558	-	37,558	67,780
Cash at bank and in hand		54,623	-	54,623	44,434
		<u>92,181</u>	<u>-</u>	<u>92,181</u>	<u>112,214</u>
CREDITORS					
Amounts falling due within one year	7	(17,181)	-	(17,181)	(16,316)
		<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>95,898</u>
NET CURRENT ASSETS					
		1,044,875	125,277	1,170,152	1,203,370
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	8	(237,543)	-	(237,543)	(291,236)
		<u>807,332</u>	<u>125,277</u>	<u>932,609</u>	<u>912,134</u>
NET ASSETS					
FUNDS	11				
Unrestricted funds				807,332	786,857
Restricted funds:					
Building fund				125,277	125,277
TOTAL FUNDS				<u>932,609</u>	<u>912,134</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 24 January 2021 and were signed on its behalf by:

R J McKie - Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- in accordance with the property
Fixtures and fittings	- 25% on cost
Equipment	- 25% on cost

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	<u>286</u>	<u>79</u>

3. TRUSTEES' REMUNERATION AND BENEFITS

There was no trustee's remuneration or other benefits for the year ended 31 March 2019 nor for the year ended 31 March 2020.

Trustees' expenses

None were claimed.

4. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	325,585	-	325,585
Investment income	79	-	79
Total	325,664	-	325,664
EXPENDITURE ON			
Other	255,084	-	255,084
NET INCOME	70,580	-	70,580
RECONCILIATION OF FUNDS			
Total funds brought forward	716,277	125,277	841,554
TOTAL FUNDS CARRIED FORWARD	786,857	125,277	912,134

5. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Equipment £	Totals £
COST				
At 1 April 2019	1,134,256	64,384	94,426	1,293,066
Additions	-	5,504	17,040	22,544
At 31 March 2020	1,134,256	69,888	111,466	1,315,610
DEPRECIATION				
At 1 April 2019	61,771	34,152	89,671	185,594
Charge for year	10,725	16,949	7,190	34,864
At 31 March 2020	72,496	51,101	96,861	220,458
NET BOOK VALUE				
At 31 March 2020	1,061,760	18,787	14,605	1,095,152
At 31 March 2019	1,072,485	30,232	4,755	1,107,472

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Other debtors	<u>37,558</u>	<u>67,780</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 9)	12,981	16,316
Other creditors	<u>4,200</u>	<u>-</u>
	<u>17,181</u>	<u>16,316</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans (see note 9)	<u>237,543</u>	<u>291,236</u>

9. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>12,981</u>	<u>16,316</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Mortgage	237,543	291,236

10. SECURED DEBTS

The mortgage is secured on the freehold property.

11. MOVEMENT IN FUNDS

	At 1.4.19	Net movement in funds	At 31.3.20
	£	£	£
Unrestricted funds			
General fund	786,857	20,475	807,332
Restricted funds			
Building fund	125,277	-	125,277
TOTAL FUNDS	<u>912,134</u>	<u>20,475</u>	<u>932,609</u>

11. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	281,546	(261,071)	20,475
	<u>281,546</u>	<u>(261,071)</u>	<u>20,475</u>
TOTAL FUNDS	<u>281,546</u>	<u>(261,071)</u>	<u>20,475</u>

Comparatives for movement in funds

	At 1.4.18 £	Net movement in funds £	At 31.3.19 £
Unrestricted funds			
General fund	716,277	70,580	786,857
Restricted funds			
Building fund	125,277	-	125,277
	<u>841,554</u>	<u>70,580</u>	<u>912,134</u>
TOTAL FUNDS	<u>841,554</u>	<u>70,580</u>	<u>912,134</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	325,664	(255,084)	70,580
	<u>325,664</u>	<u>(255,084)</u>	<u>70,580</u>
TOTAL FUNDS	<u>325,664</u>	<u>(255,084)</u>	<u>70,580</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.18 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	716,277	91,055	807,332
Restricted funds			
Building fund	125,277	-	125,277
	<u>841,554</u>	<u>91,055</u>	<u>932,609</u>
TOTAL FUNDS	<u>841,554</u>	<u>91,055</u>	<u>932,609</u>

11. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	607,210	(516,155)	91,055
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>607,210</u>	<u>(516,155)</u>	<u>91,055</u>

12. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2020.