

Charity number 1139569

SAINT MARY AND ARCHANGEL MICHAEL COPTIC ORTHODOX CHURCH

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2020

SAINT MARY AND ARCHANGEL MICHAEL COPTIC ORTHODOX CHURCH

FOR THE YEAR ENDED 5 APRIL 2020

Contents

	Page
Legal and Administrative Information	1
Report of the Trustees	2 - 5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8
Statement of cash flows	9
Notes forming part of the Financial Statements	10 - 17

SAINT MARY AND ARCHANGEL MICHAEL COPTIC ORTHODOX CHURCH

CHARITY INFORMATION

Trustees

Mr M Neoman
Dr I Tadros
Mr A Shahata
Mr N Abdelsaid
Mr A Seha
Dr G Yanni
Mr N Boutros

Custodian Trustees

Dr G Yanni
Dr I Tadros
Mr N Boutros

Registered Charity Number

1139569

Registered office

Cranbourne Gardens
London
NW11 0HS

Independent Examiner

Mr Richard Buckby FCA
Fortus Midlands Limited
Hamilton Office Park
31 High View Close
Leicester
Leicestershire
LE4 9LJ

Bankers

HSBC Plc
40 Temple Fortune Parade
London
NW11 0QY

**REPORT OF THE TRUSTEES
FOR YEAR ENDED 5 APRIL 2020**

The Trustees present their report along with the financial statements of the charity for the year ended 5 April 2020. The financial statements have been prepared in accordance with the accounting policies set out on pages 10 and 11 and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and Activities

The object of the charity is to promote the Coptic Orthodox Church in the United Kingdom and the Republic of Ireland. In furtherance of this object the Trustees may provide and maintain places of public worship, carry out religious services, pay the priests salaries, hold religious and other meetings in connection with the Coptic Orthodox Church and provide assistance for the needy in the United Kingdom and abroad.

Coptic Orthodox Diocese of London

St Mary and Archangel Michael Coptic Orthodox Church is part of the Coptic Orthodox Diocese of London.

Summary of the main achievements of the charity

The church, which is based in Golders Green, is open most days of the week for celebrating the Divine Liturgy, prayer meetings, seminars, group discussions, Bible studies, Coptic language lessons, Coptic hymns lessons and other church activities.

During the year, the youths of the church attended and organised conferences, retreats and trips in the UK and abroad.

The church has sports activities and has football and basketball teams which play and compete against teams of other Coptic churches in the UK.

Performance of fundraising activities against objectives

During the year, the church has collected funds from the congregation to pay for its running expenses and donate to some poor families in the community.

Investment performance against objectives

Due to the low interest currently paid by the banks, the return from the funds invested by the charity in a Money Market bank was low but higher than the previous year £1,240 (2019: £1,157).

REPORT OF THE TRUSTEES - CONTINUED
FOR YEAR ENDED 5 APRIL 2020

Financial Review

The statement of financial activities is set out on page 7 and shows the result of the year.

The charity incurred costs in furtherance of its objects of £239,027 (2019: £204,692). After taking into account these expenses and other management and administrative expenses of £5,417 (2019: £5,423) the net incoming resources for the year were £70,061 (2019: £102,392).

At 5 April 2020, as shown on the balance sheet on page 8, the charity has net assets of £1,302,393 (2019: £1,232,332), which were mainly held in fixed assets as shown on note 6 and on bank deposits and current accounts.

The charity's principal sources of funds

The charity's main source of funding were the payments made by its members in the form of donations received and church collection.

The charity's expenditure

The expenditure during the year was incurred in maintaining the church and the hall, making them available to the public to use for worship and social activities; the payment of the priest's salaries and expenses, the provision of Sunday schools to teach the children the faith of the church and to provide help to the needy in the community.

Reserves policy

The Trustees aim to keep in reserves at any point of time three months of expenditure to cover unplanned emergency repairs to the church building and other expenses. The amount of reserves held at the year end was £1,302,241 (2019: £1,135,609) of which £416,424 (2019: £379,898), are regarded as free reserves after allowing for funds tied up in tangible fixed assets.

Investment policy and objectives

The Trustees' investment powers are governed by the Trust Deed, which permits the Charity's funds to be invested in properties, any cash investments and chattels as they see fit.

The Trustees have considered the most appropriate policy for investing the charity's funds and decided to keep it in a Money Market bank account which to have it available for paying for the project of building a new hall, that is currently with the planners.

Risk management

The main risks which may face the charity is the reduction in donations from the congregation.

The charity relies on donations from a large number of donors, not a few individuals, which reduces the risk of huge fluctuations in the income from donations.

**REPORT OF THE TRUSTEES - CONTINUED
FOR YEAR ENDED 5 APRIL 2020**

Future plans

The charity obtained a planning permission to demolish the old church hall building and replace it with a four storey building, including a basement.

The new building will be used by the church for its activities and by the community as a nursery. The project is expected to take 19 months to complete and its estimated cost will be about £3.2 million.

The charity reached an agreement with Charity Bank for funding the project, and the work will start as soon as a contract is signed with a contractor to carry out the work.

Description of charity's trusts

The charity was formed on 18 November 2010 as an incorporated trust, registered with the Charity Commission, registration number 1139569, on 30 December 2010 and is governed by the Charities Act 2011 and its Trust deed dated 18 November 2010.

Trustee selection methods

The charity is managed by the Church Council consisting of the Presiding Bishop, the Priests of the Church and not less than five Council Members, who are selected from time to time by the Church Council and appointed by His Eminence the Archbishop of The Coptic Orthodox Church in London.

All members of the Church Council are Trustees of the Charity, on ceasing to be a member of the Church Council, that individual will also cease to be a Trustee of the Charity.

Names of the charity trustees who manage the charity

The Trustees who served during the year were as stated below:

Mr M Neoman

Dr I Tadros

Mr N Abdelsaid

Mr A Shahata

Dr G Yanni

Mr M George - Resigned

Mr A Seha

Mr N Boutros

Policies and procedures adopted for the induction and training of trustees

The trustees are members of the church and as such are familiar with the practical work of the charity. New trustees are given training by existing trustees on:

- The Church Constitution,
- The current financial position as set out in the published accounts,
- Future plans and objectives.

**REPORT OF THE TRUSTEES - CONTINUED
FOR YEAR ENDED 5 APRIL 2020**

The charity's organisational structure and any wider network with which the charity works

Saint Mary and Archangel Michael Coptic Orthodox Church is an indivisible part of the Coptic Orthodox Church in Egypt, which has as its Supreme Head, the Pope of Alexandria and derives its spiritual authority to function from the Holy Council of the Coptic Orthodox Patriarchate in Cairo, Egypt. Such authority cannot be changed, altered, modified or revoked.

The Coptic Orthodox Archbishop of London is appointed by the Holy Synod of the Coptic Orthodox Church by written decree over the area, known as the Diocese of London, which includes this charity.

Decision making

The trustees of St Mary and Archangel Michael Coptic Orthodox Church, in consultation with the Coptic Orthodox Archbishop of London and the priests of the church take decisions on all matters concerning the administration of the charity. Decisions on the church spiritual services to the congregation are taken by the Coptic Orthodox Archbishop of London and the priests.

Statement of trustees' responsibilities in relation to financial statements

The trustees are responsible for preparing a trustees' annual report and 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 charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and ensure that the financial statements comply with the Charities Act 2011. The trustees are 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 the Board of Trustees and signed on behalf of the board on 2 February 2021.

.....

George A Yanni

Trustee

SAINT MARY AND ARCHANGEL MICHAEL COPTIC ORTHODOX CHURCH**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SAINT MARY AND ARCHANGEL MICHAEL COPTIC ORTHODOX CHURCH**

I report to the trustees on my examination of the accounts of Saint Mary and Archangel Michael Coptic Orthodox Church ('the charity') for the year ended 5 April 2020, which are set out on pages 7 to 17.

Responsibilities and basis of report

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

I report in respect of my examination of the charity's accounts carried out under section 145 of the 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, 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 reasonable 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 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.

Richard Buckby FCA
Fortus Midlands Limited
Hamilton Office Park
31 View Close
Leicester
LE4 9LJ

Date: 2 February 2021

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2020**

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019
Income	Note				
	3				
Donations		280,669	-	280,669	263,351
Charitable activities		21,152	-	21,152	26,421
Investment income		1,240	-	1,240	1,157
Other incoming resources		11,444	-	11,444	21,578
Total incoming resources		<u>314,505</u>	<u>-</u>	<u>314,505</u>	<u>312,507</u>
Expenditure	Note				
	4				
Charitable activities		239,027	-	239,027	204,692
Other		5,417	-	5,417	5,423
		<u>244,444</u>	<u>-</u>	<u>244,444</u>	<u>210,115</u>
Net income and net movement in funds for the year		<u>70,061</u>	<u>-</u>	<u>70,061</u>	<u>102,392</u>
Total funds brought forward at 6 April 2019		1,135,609	96,723	1,232,332	1,129,940
Transfer between funds		<u>96,571</u>	<u>(96,571)</u>	<u>-</u>	<u>-</u>
Total funds carried forward 5 April 2020		<u>1,302,241</u>	<u>152</u>	<u>1,302,393</u>	<u>1,232,332</u>

BALANCE SHEET AT 5 APRIL 2020

	Note	Total 2020 £	Total 2019 £
Fixed assets			
Tangible assets	6	885,817	755,711
Current assets			
Debtors	7	77,153	68,774
Cash at bank and in hand	8	523,695	623,210
Total current assets		600,848	691,984
Creditors: Amounts falling due within one year	9	(35,772)	(52,863)
Net current assets		565,076	639,121
Total assets less current liability		1,450,893	1,394,832
Creditors: Amounts falling due after more than one year	10	(148,500)	(162,500)
Total net assets		1,302,393	1,232,332
Funds of the Charity			
Restricted income funds		152	96,723
Unrestricted funds		1,302,241	1,135,609
Total funds		1,302,393	1,232,332

The financial statements were approved and authorised for issue by the Board on 2 February 2021 and signed on behalf of the board by

.....
George Yanni
Trustee

The notes on pages 10 to 17 form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 5 APRIL 2020**

	Note	£	2020 £	£	2019 £
Cash flows from operating activities	14		43,174		122,742
Cash flows from investing activities					
Income from investments		1,240		1,157	
Purchase of fixed assets		(143,929)		(154,287)	
Net cash used in investing activities			(142,689)		(153,130)
Cash flows from financing activities:					
Proceeds from new borrowings			-		-
Change in cash in the year			(99,515)		(30,388)
Cash at 6 April 2019			623,210		653,598
Cash at 5 April 2020			523,695		623,210

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2020**

1. Basis of preparation**1.1 Basis of accounting**

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 2015)', 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.

1.2 Going concern

The trustees consider that there are no uncertainties about the charity's ability to continue as a going concern. The donation from the church's large congregation will cover any future liabilities.

1.3 Change of accounting estimates

No changes to the accounting estimates have occurred in the reporting period.

1.4 Material prior year errors

No material prior error has been identified in the reporting period.

2. Accounting policies**2.1 Income****Recognition of income**

Income is recognised in the period in which the charity is entitled to receive and the amount can be measured with reasonable certainty. All voluntary income which comprises of donations, collection and church boxes is included in income on a receivable basis. Investment income is accounted for on amounts receivable in the year.

Tax reclaim on donations and gifts

Gift Aid receivable is included in income when there is a valid declaration from the donor.

Income from membership subscriptions

Membership contributions received in the nature of a gift are recognised in Donations and Legacies.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 5 APRIL 2020**

2.2 Expenditure and liabilities

Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of obligation can be measured with reasonable certainty.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of any irrecoverable VAT.

Charitable activities

Direct charitable expenditure includes all staff costs, property and other expenditure directly related to the charitable activities of the charity.

Governance and support cost

Support costs have not been allocated between governance costs and other costs.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include central functions.

Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

Taxation

The charity is a registered charity and as such its income and gains falling within the Income Tax Act 2007 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

2.3 Assets

Tangible fixed assets for use by the charity

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Freehold buildings	- 2% straight line
Office equipment	- 15% reducing balance
Fixtures, alterations, fittings & equipment	- 10% reducing balance for church
Building under construction	- Not depreciated

2.4 Restricted Funds

The restricted funds relate to donations payable to the RSPCA.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 5 APRIL 2020

3 Analysis of income

	Unrestricted Income 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations and legacies				
Donation and gifts	275,790	-	275,790	228,986
Gift Aid	4,879	-	4,879	34,365
Total	280,669	-	280,669	263,351
Charitable activities				
Canteen sales	19,778	-	19,778	19,294
Bookshop sales	-	-	-	2,450
Transport	950	-	950	1,000
GG Café	424	-	424	3,677
Total	21,152	-	21,152	26,421
Investment income				
Interest income	1,240	-	1,240	1,157
Total	1,240	-	1,240	1,157
Separate material item of income				
Hire of Church Hall	-	-	-	1,200
Fundraising	-	-	-	20,378
Other income	11,444	-	11,444	-
Total	11,444	-	11,444	21,578
Total Income	314,505	-	314,505	312,507

£20,378 income for the year ended 5 April 2019 was attributable to unrestricted funds.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 5 APRIL 2020

4. Analysis of expenditure

	Total funds 2020 £	Total funds 2019 £
Expenditure on charitable activities		
Church and community services	54,250	42,075
Staff costs	131,591	123,439
Property expenses	39,363	25,624
Depreciation of tangible assets	13,823	13,554
	<u> </u>	<u> </u>
Total expenditure on charitable activities	239,027	204,692
Other expenditure		
Governance costs	3,077	3,083
Independent examination fees	2,340	2,340
	<u> </u>	<u> </u>
Total other expenditure	5,417	5,423
	<u> </u>	<u> </u>
Total expenditure	244,444	210,115
	<u> </u>	<u> </u>

All expenditure for 2020 and 2019 was attributable to unrestricted funds.

5. Paid employees

5.1 Staff costs	2020	2019
	£	£
Salaries and wages	99,772	92,593
Social security costs	8,387	8,480
Stake holder Pension	2,614	1,565
Expenses	20,818	20,800
	<u> </u>	<u> </u>
Total staff costs	131,591	123,438
	<u> </u>	<u> </u>
Employees earned more than £60,000 during the year		
	2020	2019
Between £60,000 and £69,999	1	1
	<u> </u>	<u> </u>
5.2 Average head count in the year	2020 Number	2019 Number
Priests	2	2
	<u> </u>	<u> </u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 5 APRIL 2020

6. Tangible fixed assets

	Land and Buildings Freehold £	Office Equipment £	Fixtures, Fittings & Equipment £	Building Under Construction £	Total £
Cost					
At 6 April 2019	747,855	12,748	176,840	207,915	1,145,358
Additions	-	-	-	143,929	143,929
At 5 April 2020	<u>747,855</u>	<u>12,748</u>	<u>176,840</u>	<u>351,844</u>	<u>1,289,287</u>
Depreciation					
Basis	Straight line	Reducing balance	Straight line	No Depreciation	
Rate	2%	15%	10%		
At 6 April 2019	217,571	10,260	161,816	-	389,647
Charge for the year	<u>11,948</u>	<u>373</u>	<u>1,502</u>	-	<u>13,823</u>
At 5 April 2020	<u>229,519</u>	<u>10,633</u>	<u>163,318</u>	-	<u>403,470</u>
Net book value					
At 5 April 2020	<u>518,336</u>	<u>2,115</u>	<u>13,522</u>	<u>351,844</u>	<u>885,817</u>
At 5 April 2019	<u>530,284</u>	<u>2,488</u>	<u>15,024</u>	<u>207,915</u>	<u>755,711</u>

Substantially all assets are held for charitable purposes.

7. Debtors

	2020 £	2019 £
Prepayments and accrued income	3,544	44
Other debtors	<u>73,609</u>	<u>68,730</u>
	<u>77,153</u>	<u>68,774</u>

8. Cash at bank and in hand

	2020 £	2019 £
Cash at bank	<u>523,695</u>	<u>623,210</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 5 APRIL 2020

9. Creditors

Amounts falling due within one year

	2020	2019
	£	£
Taxation and social security	3,512	2,516
Pension – Nest	-	287
Accruals and deferred income	2,340	2,340
Other creditors	920	14,720
Sundry creditors	29,000	33,000
	<u>35,772</u>	<u>52,863</u>

10. Creditors amounts falling due for more than one year

	2020	2019
	£	£
Long Term Creditors	148,500	162,500
	<u>148,500</u>	<u>162,500</u>

11. Financial Instruments

	2020	2019
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>73,609</u>	<u>68,730</u>
Carrying amount of financial liabilities		
Financial liabilities measured at amortised cost	<u>3,260</u>	<u>17,060</u>

12. a. Unrestricted Funds

	Balance at 6 April 2019	Income	Expenditure	Transfer between funds	Balance at 5 April 2020
	£	£	£	£	£
General reserve funds	1,135,609	314,505	(244,444)	96,571	1,302,241
	<u>1,135,609</u>	<u>314,505</u>	<u>(244,444)</u>	<u>96,571</u>	<u>1,302,241</u>
	Balance at 6 April 2018	Income	Expenditure	Transfer between funds	Balance at 5 April 2019
	£	£	£	£	£
General reserve funds	1,053,595	292,129	(210,115)	-	1,135,609
	<u>1,053,595</u>	<u>292,129</u>	<u>(210,115)</u>	<u>-</u>	<u>1,135,609</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 5 APRIL 2020

12.b. Restricted Funds

	Balance at 6 April 2019	Income	Expenditure	Transfer between funds	Balance at 5 April 2019
	£	£	£	£	£
RSPCA	152	-	-	-	152
Church New Hall	96,571	-	-	(96,571)	-
	<u>96,723</u>	<u>-</u>	<u>-</u>	<u>(96,571)</u>	<u>152</u>
	Balance at 6 April 2018	Income	Expenditure	Transfer between funds	Balance at 5 April 2019
	£	£	£	£	£
RSPCA	152	-	-	-	152
Church New Hall	76,193	20,378	-	-	96,571
	<u>76,345</u>	<u>20,378</u>	<u>-</u>	<u>-</u>	<u>96,723</u>

12.c. Analysis of net assets between funds

	Tangible fixed assets	Net current assets	Non-current liabilities	Total 2020
	£	£	£	£
Unrestricted funds	885,817	564,924	(148,500)	1,302,241
Restricted funds	-	152	-	152
	<u>885,817</u>	<u>565,076</u>	<u>(148,500)</u>	<u>1,302,393</u>
	Tangible fixed assets	Net current assets	Non-current liabilities	Total 2019
	£	£	£	£
Unrestricted funds	755,711	542,398	(162,500)	1,135,609
Restricted funds	-	96,723	-	96,723
	<u>755,711</u>	<u>639,121</u>	<u>(162,500)</u>	<u>1,232,332</u>

13. Trustees and related parties

13.1 Transactions with trustees

The charity has an agreement with Mr N. Abdelsaid for providing professional services as an architect for the hall project. No fees were paid for work carried out during the year (2019: Nil).

13.2 Trustees' remuneration and benefits

The trustees did not receive any remuneration or benefits in the year (2019: Nil).

13.3 Trustees expenses:

The trustees were not reimbursed for any expenses during the year (2019: Nil)

13.4 Transactions with related parties:

There were no transactions with related parties (2019: Nil).

13.5 Key Management Personnel

The charity considers its Trustees to be its Key Management Personnel who are not remunerated for their services.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 5 APRIL 2020

14. Reconciliation of net income to net cash flow from operating activities

	2020	2019
	£	£
Net income		
(as per statement of financial activities)	70,061	102,392
Adjustments for:		
Depreciation charge	13,823	13,554
Income from investments	(1,240)	(1,157)
Increase in debtors	(8,379)	(34,409)
(Decrease)/increase in creditors	(31,091)	42,362
Net cash provided by operating activities	43,174	122,742