

HEXHAM COMMUNITY CHURCH

Accounts – 31st December 2020

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Charitable Incorporated Organisation

Charity number: 1115889

Accounts – 31st December 2020

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HEXHAM COMMUNITY CHURCH

REPORT OF THE TRUSTEES

for the year ended 31st December 2020

The Trustees are pleased to present their annual report and financial statements of the Charitable Incorporated Organisation for the year ended 31st December 2020.

The Financial Statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and complies with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (second edition) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Reference and Administration Details

The charity's name is Hexham Community Church.

Charity Registration Number: 1115889

Registered and Principal Office: Central Chambers, Beaumont Street, Hexham, NE46 3LS

Trustees

The Trustees and officers who served during the year and since the year end were as follows:

Catherine Judith Minto
Iain Mason
Catherine Anne Wraith (resigned 19th February 2020)
Anne Jennifer Morgan
David Fraser Hume (appointed 18th February 2020)
Lewis Meadley (appointed 18th February 2020)
Jenny Louise Rumsey (appointed 1st February 2021)

Secretary: Iain Mason

Objectives and Activities

The main objects of the charity are widely drawn, namely to advance the Christian religion and to pursue any other charitable purposes.

The main activity is the provision of a Christian Church and associated activities.

In planning the activities of the charity, the trustees have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion.

The charity's activities of advancement of the Christian faith and associated activities, are available to the people of Hexham and the wider area to make a positive contribution to the local and wider community.

Achievements and Performance

Trustees and charity management:

Hexham Community Church (HCC) has 5 Trustees, taking responsibility for legal, compliance and finance issues, assessing risk and have drawn up policies to minimise this. The work to convert the church from a Company Limited by Guarantee to a Charitable Incorporated Organisation (CIO) was completed in February 2020. HCC maintains links with the voluntary sector and is an active member of Hexham Churches Together.

Leadership:

HCC is part of Salt & Light Ministries (S&L) locally known as Taking Ground. HCC is spiritually led, under God's direction, by a team of Elders who meet with the Trustees regularly.

REPORT OF THE TRUSTEES
for the year ended 31st December 2020 (Continued)

Achievements and Performance (continued)**Pastoral and relational activity - caring for church members:**

The Coronavirus pandemic has had a significant impact on the care and support offered to the church family. Meeting virtually, both as small groups and as a congregation has become the norm for most, with other means used to maintain contact for those unable to access this. The building has remained closed since the first lockdown began in March 2020, but ministry has continued each Sunday via the church Facebook page, with significant numbers taking part, including new congregants, near and far. Prayer in small groups and as a congregation has developed as have Family Groups, which offer ways to connect with a small group of people for support and encouragement.

Outward focused activity - reaching out to our communities:

Prior to the lockdown, HCC volunteers ran a lunch club for older people, a social group for adults with learning disabilities, Messy Church and Eden Hexham, connecting with residents in the East End of Hexham. Contact has been maintained by various means, including phone calls and post, and the HCC Facebook page. Outreach activities have included:

- **Eden Hexham** - although it was not possible to appoint an Eden worker in early 2020, a Community Worker was employed to distribute groceries provided by local retailers. Volunteers worked with the worker to enable this to happen. This was to provide the basis for plans for a Community Grocery, due to open in March 2021, also in the East End of Hexham.
- **Texan mission to Hexham** – A group of Texan students again visited HCC, being welcome visitors to local schools.

Financial position

Despite the challenges posed by the pandemic over 2020, the financial position of the church has remained stable, with resources being built up because of the faithful commitment of church members, and some grant income.

Conclusion:

During 2020, HCC continued to achieve its charitable objective of advancing the Christian faith through Sunday services, week-night group activities and missional work which have all focused on enabling faith in Jesus Christ in the communities where our members live, are educated and work.

The Trustees would like to thank all the Church congregation who have given so freely of their time, talents and money to make possible the activities reported above and more that space does not allow us to mention.

Without all these contributions Hexham Community Church would be unable to offer so much to the people of Hexham, the surrounding areas and beyond. The Trustees can confirm that the activities provided are available to and provided for the benefit of everyone, of any or no faith. The Trustees believe the Hexham Community Church charity is continuing to thrive and to fulfil all its charitable objectives.

Financial Review

The total income for the year was £191,685 and total expenditure on charitable activities amounted to £122,958. The balance on unrestricted funds at the year end was £248,294 and on restricted funds £31,335. The main source of income for the year was donations.

Reserves Policy

The balance on unrestricted reserves at the balance sheet date, excluding fixed assets, was £110,293. This represents approximately 12 months of expenditure. The trustees' policy is that free reserves should be a minimum of £51,000 which is approximately 6 months of expenditure (£8,500 per month). The level of reserves at the balance sheet date is higher than the minimum and is considered reasonable in view of working capital requirements and the major risks to the Charity. These risks include possible losses in funding and the continuing possibility of significant property and repair costs.

Also due to the Covid pandemic spending during the year has been significantly curtailed resulting in higher reserves held. Expenditure is expected to increase next year.

REPORT OF THE TRUSTEES
for the year ended 31st December 2020 (Continued)

Structure, Governance and Management

Governing Document

Hexham Community Church is registered as a charity with the Charity Commission. It is a Charitable Incorporated Organisation formed 13th February 2020.

Hexham Community Church was formerly a Company Limited by Guarantee governed by its Memorandum and Articles of Association dated 23rd April 2006. On 13th February 2020 the assets and liabilities of Hexham Community Church were transferred to Hexham Community Church Charitable Incorporated Organisation which will continue the activities of the charity.

In view of the transfer of operations of its predecessor company limited by guarantee these financial statements incorporate the income, expenditure and liabilities of both Hexham Community Church and Hexham Community Church CIO.

Appointment of Trustees

The trustees keep the composition of the board under review and will seek to appoint additional members with appropriate skills and expertise should the need arise. Interested parties are given details of the background of the charity in order to make them aware of current activities.

There must be at least three Trustees.

Persons willing to be appointed as Trustees must subscribe to the Statement of Beliefs and be at least 16 years of age.

In selecting individuals for appointment, the Trustees are required to have regard to the skills, knowledge and experience required for the effective administration of the Charity.

Approved by the trustees on 12th July 2021 and signed on its behalf by:

A J Morgan

.....

Trustee

Hexham

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report to the trustees on my examination of the accounts of Hexham Community Church for the year ended 31st December 2020.

Responsibilities and Basis of Report

As the charity's trustees 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 charity's accounts 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

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 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.

A P Williams BSc FCCA
A J Carter & Co
Chartered Accountants

22b High Street
Witney
Oxon
OX28 6RB

23rd July 2021

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31st December 2020

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
		£	£	£	£
Income from:					
Donations and legacies	3	147,796	32,022	179,818	158,683
Charitable activities	4	3,572	-	3,572	7,196
Other trading activities	5	2,148	6,000	8,148	7,536
Investments	6	147	-	147	216
Total incoming resources		<u>153,663</u>	<u>38,022</u>	<u>191,685</u>	<u>173,631</u>
Expenditure on:					
Charitable activities	7	<u>104,065</u>	<u>18,893</u>	<u>122,958</u>	<u>182,907</u>
Total expenditure		<u>104,065</u>	<u>18,893</u>	<u>122,958</u>	<u>182,907</u>
Net income/(expenditure) and net movement in funds for the year		49,598	19,129	68,727	(9,276)
Transfer between funds		14	(14)	-	-
Net movement in funds		<u>49,612</u>	<u>19,115</u>	<u>68,727</u>	<u>(9,276)</u>
Reconciliation of funds					
Total funds brought forward		<u>198,682</u>	<u>12,220</u>	<u>210,902</u>	<u>220,178</u>
Total funds carried forward		<u><u>£248,294</u></u>	<u><u>£31,335</u></u>	<u><u>£279,629</u></u>	<u><u>£210,902</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

The notes on pages 7 to 13 form part of these financial statements

BALANCE SHEET
as at 31st December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	<u>138,001</u>	<u>142,551</u>
Total fixed assets		<u>138,001</u>	<u>142,551</u>
Current assets			
Debtors	12	14,193	12,266
Investments	13	106,780	49,973
Cash at bank and in hand		<u>35,731</u>	<u>22,409</u>
Total current assets		156,704	84,648
Liabilities			
Creditors falling due within one year	14	<u>15,076</u>	<u>16,297</u>
Net current assets		<u>141,628</u>	<u>68,351</u>
Total assets less current liabilities		<u>279,629</u>	<u>210,902</u>
Total net assets	15	<u>£279,629</u>	<u>£210,902</u>
The funds of the Charity			
Restricted income funds	16	<u>31,335</u>	<u>12,220</u>
Unrestricted income funds	16	247,508	198,074
Designated income funds	16	<u>786</u>	<u>608</u>
Total unrestricted funds		<u>248,294</u>	<u>198,682</u>
Total charity funds		<u>£279,629</u>	<u>£210,902</u>

These accounts were approved by the trustees and authorised for issue on 12th July 2021 and are signed on their behalf by:

I Mason

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Trustee

The notes on pages 7 to 13 form part of these financial statements

NOTES TO THE ACCOUNTS
for the year ended 31st December 2020

1. Accounting Policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of Preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (second addition) preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The charity constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

b) Income Recognition Policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions attached to the items of income have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Income received in advance of a specific performance or provision of other specified service is deferred until the criteria for income recognition are met.

c) Donated Services and Facilities

In accordance with the Charities SORP (FRS102) the general time of volunteers is not recognised in the accounts.

d) Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

e) Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for the particular areas of the Charity's work or for specific projects being undertaken by the Charity.

NOTES TO THE ACCOUNTS
for the year ended 31st December 2020 (continued)

f) Expenditure and Irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on Charitable activities includes the cost of running the church and book shop and associated projects.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

g) Operating Leases

The Charity classifies the lease of the photocopier as operating leases: the title to the equipment remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

h) Tangible Fixed Assets

Individual fixed assets costing £5,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on the straight line basis as follows:

Asset Category	Annual Rate
Land	No depreciation
Freehold buildings	Over 40 years
Freehold equipment	Over 10 years
Other equipment	Over 3 years

i) Debtors

Trade and other debtors are recognised at the settlement amounts due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

j) Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Creditors and Provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

l) Pensions

The Charity operates a defined contribution scheme, the assets of which are held outside the Charity. The contributions by the Charity in the year are detailed in note 8.

NOTES TO THE ACCOUNTS
for the year ended 31st December 2020 (continued)

2. Legal Status of the Charity

The charity is a registered Charitable Incorporated Organisation formed 13th February 2020. It took over the charitable activities of Hexham Community Church a Company Limited by Guarantee on this date.

3. Income from donations

	2020	2019
	£	£
Gifts, donations and grants	153,340	136,869
Tax reclaim	26,478	21,814
	<u>£179,818</u>	<u>£158,683</u>

Of the £179,818 received in 2020 (2019: £158,683) £32,022 was restricted funds (2019: £44,664) and £147,796 (2019: £114,019) unrestricted funds.

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102) the economic contribution of general volunteers is not recognised in the accounts.

4. Income from charitable activities

	2020	2019
	£	£
Bookshop income	-	597
Events	2,070	5,422
Other income	1,502	1,177
	<u>£3,572</u>	<u>£7,196</u>

Of the £3,572 received in 2020 (2019: £7,196) £Nil was restricted funds (2019: £335) and £3,572 (2019: £6,861) unrestricted funds.

5. Income earned from other trading activity

	2020	2019
	£	£
Rental income	8,148	7,536
	<u>£8,148</u>	<u>£7,536</u>

Of the £8,148 received in 2020 (2019: £7,536) £6,000 was restricted funds (2019: £7,536) and £2,148 (2019: £Nil) unrestricted funds.

6. Investment income

All of the Charity investment income arises from money held in COIF Charities deposit fund.

NOTES TO THE ACCOUNTS
for the year ended 31st December 2020 (continued)

7. Analysis of expenditure on charitable activities

	Church	2020	2019
		Total	Total
	£	£	£
Bookshop purchases and salaries	-	-	138
Ministry costs	33,582	33,582	47,041
Community and out reach	15,366	15,366	41,077
External giving	19,598	19,598	20,144
Church Family	4,345	4,345	18,604
Premises costs	18,686	18,686	23,430
Administration costs	28,273	28,273	30,929
Profit on disposal of fixed assets	-	-	(1,300)
Accountancy	3,108	3,108	2,844
Total	£122,958	£122,958	£182,907

Of the £122,958 expenditure in 2020 (2019: £182,907), £104,065 was charged to unrestricted funds (2019: £131,417) and £18,893 to restricted funds (2019: £51,490).

8. Analysis of staff costs and trustee remuneration

	2020	2019
	£	£
Salaries and wages	55,674	70,992
Employers National Insurance	717	980
Employer contribution to defined contribution pension scheme	149	166
	£56,540	£72,138

No employees had emoluments in excess of £60,000 (2019: Nil). Pension costs are allocated to activities in proportion to the related staffing costs incurred.

No trustees were remunerated during the year (2019: Nil)

The wife of one of the trustees was employed by the charity and received payment during the year relating to their administrative work.

	2020
	£
<i>C Meadley (part recharged on to another organisation)</i>	
Salaries and wages	8,936
Social security costs	37
Employer contribution to defined contribution pension scheme	81
	£9,054

They are remunerated in respect of their capacities as stated above.

The Trust considers its key management personnel comprise the trustees and the leaders. The total employment benefits of the key management personnel in the year was £32,874 (2019: £42,265)

NOTES TO THE ACCOUNTS
for the year ended 31st December 2020 (continued)

9. Staff numbers

The average monthly number of employees during the year was as follows:

	2020 Number	2019 Number
Ministry	1	2
Outreach	-	1
Premises	-	1
Administration	3	3
	<u>4</u>	<u>7</u>

10. Related party transactions

During the year the trustees, their spouses and key management personnel donated £18,376 to the charity in total (2019: £14,046).

There were no expenses reimbursed to the trustees during the year (2019: Nil).

11. Tangible fixed assets

	Land	Buildings	Equipment	Total
	£	£	£	£
Cost:				
As at 01.01.20	80,000	95,700	20,400	196,100
Additions	-	-	-	-
As at 31.12.20	<u>80,000</u>	<u>95,700</u>	<u>20,400</u>	<u>196,100</u>
Depreciation:				
As at 01.01.20	-	34,875	18,674	53,549
Charge for year		2,825	1,725	4,550
As at 31.12.20	<u>-</u>	<u>37,700</u>	<u>20,399</u>	<u>58,099</u>
Net book value:				
As at 31.12.20	<u>£80,000</u>	<u>£58,000</u>	<u>£1</u>	<u>£138,001</u>
As at 31.12.19	<u>£80,000</u>	<u>£60,825</u>	<u>£1,726</u>	<u>£142,551</u>

12. Debtors

	2020 £	2019 £
Tax reclaims	7,812	5,148
Prepayments and accrued income	4,750	4,015
Other debtors	1,631	3,103
	<u>£14,193</u>	<u>£12,266</u>

NOTES TO THE ACCOUNTS
for the year ended 31st December 2020 (continued)

13. Current asset investments

	2020	2019
	£	£
Cash on deposit	106,780	49,973
	<u>£106,780</u>	<u>£49,973</u>

14. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	2,997	3,559
Accruals and other creditors	11,226	11,751
Taxation and social security costs	853	987
	<u>£15,076</u>	<u>£16,297</u>

15. Analysis of net assets between funds

	Unrestricted funds			Restricted	Total
	General Fund	Designated Fund	Building Fund	Funds	
	£	£	£	£	£
Tangible fixed assets	-	-	138,001	-	138,001
Cash at bank and in hand	2,322	786	-	32,623	35,731
Other net current assets/(liabilities)	107,185	-	-	(1,288)	105,897
Total	<u>£109,507</u>	<u>£786</u>	<u>£138,001</u>	<u>£31,335</u>	<u>£279,629</u>

16. Analysis of charitable funds

Analysis of movements in restricted funds

	Balance 01.01.2020	Incoming resources	Resources expended	Funds Transfers	Funds 31.12.20
	£	£	£	£	£
Restricted giving	87	1,162	(1,162)	-	87
Individual Daniel Challenge support	130	497	(613)	(14)	-
Eden project	9,649	23,661	(15,096)	-	18,214
Church Family	707	10,000	-	-	10,707
Outreach	1,647	2,702	(2,022)	-	2,327
Total	<u>£12,220</u>	<u>£38,022</u>	<u>£(18,893)</u>	<u>£(14)</u>	<u>£31,335</u>

Name of restricted fund

Description, nature and purposes of the fund

Restricted giving for redistribution	Funds donated for specific causes which are then redistributed.
Individual Daniel Challenge support	Funds for support of an individual re the Daniel Challenge.
Eden project	Funds for support of a local community project.
Church Family	Funds for support of church family activities like children's work, Sunday school etc.
Outreach	Funds for support of outreach, including one off activities and regular events like MyTime etc.

As there is no Daniel Challenge income for the coming year the balance on the fund at the year end has been transferred to General funds.

NOTES TO THE ACCOUNTS
for the year ended 31st December 2020 (continued)

16. Analysis of charitable funds - continued

Analysis of movements in unrestricted funds

	Balance 01.01.20 £	Incoming resources £	Resources expended £	Transfers £	Funds 31.12.20 £
General fund	55,523	152,880	(98,910)	14	109,507
Building fund	142,551	-	(4,550)	-	138,001
<i>Designated Funds</i>					-
Outreach	608	783	(605)	-	786
Total	£198,682	£153,663	£(104,065)	£14	£248,294

Name of unrestricted fund	Description, nature and purposes of the fund
General fund	The 'free reserves' after allowing for all designated funds.
Building fund	Funds representing the depreciated cost of the fixed assets.
Designated fund - Outreach	Designated funds for the support of Outreach projects.

17. Other financial commitments

The charity signed a 2 year lease in September 2020 to rent premises at a cost of £690 per month. As at 31st December 2020 £13,800 remains outstanding.

The charity signed a 5 year lease in July 2019 for the rental of a photocopier at a cost of £158 per quarter. At 31st December 2020 £2,218 remains outstanding.