

Charity Registration No. 1003739

**ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

# **ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	S Mikhail G Kahalil A B Obaid N Seedhom S Baghdady A Abraham K Butros
<b>Charity number</b>	1003739
<b>Principal address</b>	Davigdor Road Hove East Sussex BN3 1RF
<b>Auditor</b>	Knill James LLP One Bell Lane Lewes East Sussex BN7 1JU

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# **ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,**

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# **ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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The trustees present their report and financial statements for the year ended 31 December 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

#### **Aims and purposes**

St Mary and St Abraam Coptic Church Council has the responsibility of co-operating with the incumbent in promoting in the ecclesiastical parish, the whole mission of the Coptic Church, pastoral, evangelistic, social, and ecumenical.

The Church Council is the main decision maker of the Charity. The Charity members are clergy, churchwardens and others chosen servants for designated responsibilities.

The Church Council has the responsibility, along with the incumbent to promote the mission of the Coptic Orthodox Church in the South of England. Legally, the Church Council is responsible for the finances of the Charity. Although these responsibilities are executed by the Church Trustees, all members must share in the oversight. It has a voice in the forms of Service used by the church and may make representations to the bishop/the Pope on matters that affect the welfare of the Church.

The Church Council and the incumbent have a duty of care to ensure the protection of the vulnerable in their church community. In terms of safeguarding, with the incumbent the Church will:

- Promote a safer Coptic Church for all in the church community.
- Ensure there is a plan in place to raise awareness of.
- Promote training and ensure that safeguarding is taken seriously by all those in the church community.

#### **Objectives and activities**

St Mary & St Abraam Coptic Orthodox Church is a registered Charity with the objective to promote the Coptic Orthodox Church in the Southeast/west of England. In furtherance of this object the Trustees provide and maintain two places of public worship, carry on religious services, pay and provide for the housing of priests, hold religious and other meetings in connection with the Coptic Orthodox Church, and provide aid for the needy in the United Kingdom and abroad.

St Mary & St Abraam Coptic Orthodox Church Council is committed to enabling as many people as possible to worship at the church and to become part of the parish Coptic Community in Brighton, Hove, and Worthing area.

The Church Council maintains an overview of worship throughout the parish and makes suggestions on how the services can involve the many groups that live within the parish. These services and worship put faith into practice through prayer, scripture, music, and sacrament.

# **ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **Public Benefit Statement**

When planning the activities for the year, the Church 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 Church try to enable ordinary people to live out their Coptic Christian faith as part of the community through the following: -

1. Providing regular public worship open to all
2. Providing sacred space for personal prayer and contemplation
3. Conducting pastoral work including visiting the sick and the bereaved
4. Teaching Christianity through sermons, courses and small groups
5. Taking religious assemblies in schools
6. Providing a youth club with a Christian ethos, to learn about the Gospel and develop own knowledge and trust in Jesus
7. Promoting the whole mission of the church through activities for senior citizens, parents and toddlers and other special needs groups
8. Promoting the whole mission of the church through activities for senior citizens, parents and toddlers and other special needs groups
9. Supporting other charities in the UK and overseas, through Missionary and outreach work.
10. Learning about the Gospel
11. Developing their own knowledge and trust in Jesus

To facilitate this work, it is important that the Church Council maintain the fabric of the two main Church Buildings which are: -

St Mary & St Abraam Coptic Orthodox Church – Davigdor Road, Hove, BN3 1RF

St Demiana and Pope Kyrillos VI Coptic Orthodox Church - 2 Brighton Rd, Worthing BN11 3EA

### **Achievements and performance**

The main achievement in 2018 was the acquisition of the old Steyne Gardens Methodist Church in Worthing. Since acquiring this property in March 2018 the charity has concentrated on refitting the building and establishing the centre as a major enhancement to the Church facilities. This building has been named in honour of St. Demiana and Pope Kyrillos VI and is expected to answer the needs of the community for many years to come.

During the year, the youths of the church attended and organised conferences, retreats and trips, in some cases in conjunction with other Coptic Churches in the UK and abroad. They have Sunday Schools, youth meetings, prayer meetings, Bible studies, and pre-and post-graduate meetings. The church has sports activities and has football and tennis table teams which play and compete against teams of other Coptic Churches in the UK. The church 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.

The Church has continued to support the Coptic communities in Egypt and Sudan during these difficult times through its Youth Group ACTION.

Through the grace of God, ACTION contributes tremendously to the lives of the less fortunate brothers and sisters in Egypt and Sudan. The more people know about its activities, the more contributions will reach the thousands of needy individuals.

# **ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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Action has a variety of projects and activities, specially designed to meet the different and special needs of our disadvantaged Coptic brothers and sisters in Egypt and Sudan.

**1. Sponsoring a Family**

ACTION provides monthly aid to more than a hundred families living in extreme hardship. These families have no income, a result of death, absence or terminal illness of the head of the household. There are many families that are severely impoverished and cannot even feed their families.

**2. Medical Assistance**

ACTION Dispenses aid to many chronically ill individuals, providing a variety of medical treatments including surgeries, kidney dialyses, emergency treatment, hospitalizations, medication, laboratory tests and x-rays. There are many lives lost from lack of medication, and from minor, easily treatable diseases. All these needless deaths of children and adults could be easily prevented through affordable health care.

**3. Assistance of the Handicapped**

ACTION provides for the many needs of mentally and physically handicapped children and Adults. Prostheses and medical equipment are in great demand. The environment in the UK accommodates the handicapped and facilitates their mobility and livelihood. However, in Egypt and Sudan, these essentials are unavailable.

**4. Housing**

ACTION contributes towards providing housing for the homeless, in Egypt and Sudan especially those living in overcrowded housing. Harsh conditions, where several families live together in one apartment, sharing everything including one bathroom, can lead to moral and religious depravation.

**5. Education**

ACTION cares for hundreds of students of all ages (whether in primary school, high school, technical school, or college). It also provides training for teachers and literacy programs. The cost of education has greatly risen (more than 350% in the past 10 years). Also, in certain parts of Egypt, illiteracy is 50% among men and 70% among women.

**6. Anti-drugs and Aids Support**

ACTION is dedicated to combating the ever-increasing use of drug addition and AIDS across Egypt and Sudan by creating awareness as well as providing care, follow-up, and relapse prevention services.

# **ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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### **Financial review**

The Church continues to raise the funds which it needs to carry on its activities from within its own membership and congregation. No wider public appeal was made for funds during the year. The most significant expense related to the purchase of St Demiana and Pope Kyrillos VI Coptic Orthodox Church.

The Church expressed its part in the life of the wider Coptic church by making donations to support other Coptic Churches and families in Egypt and Sudan, with Christian aims and objectives compatible with the church's own charitable purpose. The Church is heavily dependent on its membership working as volunteers in all aspects of the church's activities, many of which run with little or no impact on the church's expenditure, but nevertheless contribute substantially to the achievement of the church's objectives. The financial results for the year, together with a summary of the accounting policies adopted are set out in the accompanying financial statements.

The net resources for the year, after grants and operational expenses of £690,022 (2017 - £601,903) was £45,334 (2017 - £82,827). At the end of the financial year reserves were £1,217,624 (2017 - £1,172,290). The level of reserves is regularly reviewed by the trustees before making major income and expenditure decisions.

The other most significant expense during 2018 was the employment of an additional priest Father Seraphim Ava Mina, to lead and co-ordinate the church's activities including the Sunday Services and Youth meetings, to provide pastoral care for the congregation and other people, and to equip and encourage the membership in their life, Christian witness and service.

The Charity policy is to maintain a balance on unrestricted funds which should equate to at least three months unrestricted payments, equivalent to £150,000, to cover emergency situations that may arise from time to time.

The bank and cash balances at 31 December 2018 stood at £216,785. The Church Council will continue to aim to reach this target by the end of 2019.

It is the Charity policy to invest the fund balance with the Charity Deposit Bank Account.

### **Risk management**

#### **Risk identification and types**

The Church trustees have a duty to identify and review the risks to which the charity is exposed to and which may occur in the future preventing the charity ability to realise and achieve its objectives.

The likelihood of a risk occurring can only be estimated. To estimate risk properly, each risk should be identified, understood, and evaluated by the Trustee board.

# **ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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The Church Trustees identify risks, by considering the following categories, which may have both internal and external elements:

1. Governance  
The Church trustees not knowing or living up to their responsibilities.  
High board turnover.  
Conflict on a board.  
Conflicts of interest not properly managed.  
Absence of relevant policies.  
Failure to properly implement agreed policies; and policies not being reviewed.  
Church trustees do not give due consideration to the charity's legal form and governing document and decide whether they are fit for purpose.
2. Strategic  
Failure to control costs  
failure to understand the resources needed for a particular project or particular service that the charity wishes to offer.
3. Compliance risks may include  
Failure to comply with legal or regulatory requirements, for example: legislation in respect of charity regulation; health and safety; child protection; data protection; employment law; or company law.  
The above failures may arise due to a lack of resources within the charity to meet the requirements, or due to a lack of knowledge within the charity of the legal or regulatory requirements that the charity is required to comply with.  
Failure to have an appropriate level of insurance in place for the charity is also a compliance risk.
4. Operational  
Volunteers or employees being unavailable for duty.  
Volunteers or employees that are only trained for one role and are unable to cover for another volunteer or employee in the event of an absence.  
A lack of planning in the event of charity premises being damaged and unusable for a period is also an operational risk.
5. Financial  
Failure to meet financial management and reporting requirements.  
Failure to maintain prudent financial reserves.  
Failure to plan to meet future needs.  
Failure to properly assess and understand the financial viability of the charity. Misunderstanding funder priorities, poorly articulated funding applications or missed deadlines for funding applications are all potential risks for the charity.

#### **Risk management system**

The Church trustees are responsible for ensuring that a risk management system is put in place to protect the charity from any harm that may be caused. A risk management system should reduce the likelihood of each risk occurring and minimise the impact of each risk where possible.

The risk management system is simply discussions at regular charity trustee meetings, identifying, evaluating, and monitoring the risks. Discussions take place around the category of risk; which outline a clear description of each risk; the likelihood of its occurrence; its potential impact; and mitigation measures; and the person(s) responsible for managing each risk.

#### **Volunteers**

The Church Council would like to thank all the volunteers who work so hard to make our church the lively and vibrant community it is. We want to mention our beloved Church Priests, Deacons, Youth Servants and all the other members of the Church for their valuable contribution to our ministry and for keeping the church running.



# **ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **Plans for future periods**

The church is still raising funds and will actively continue to maintain the new Church Building - St Demiana and Pope Kyrillos VI Coptic Orthodox Church to enable it to introduce services on Sundays and other days of the week.

The charity has organised a conference for church volunteers from around the UK. There were representatives from Europe and the Middle East and the event was honoured by the presence of a Metropolitan Bishop from Egypt. The church hopes this will become an annual event.

In 2018 the church organised overseas trips for the congregation visiting holy sites in Egypt and the city of Jerusalem. The church expects to organise three similar trips in 2019.

The Trustees are planning to amend the Constitution to bring it in line with its activity relating to the efforts to help those in need in Egypt and Sudan.

The Church Trustees are evaluating the requirement of a robust Risk Management Policy document which sets out procedures for managing risk and risk reporting. In addition, there should be a Monitor and Report written procedure where risk should be monitored regularly in a structured way.

### **Structure, governance and management**

St Mary and St Abraam Coptic Orthodox Church is an indivisible part of the Coptic Orthodox Church of Egypt which has as its Supreme Head His Holiness the Pope of Alexandria and Patriarch of the See of St. Mark. The authority of His Holiness the Pope and the Holy Synod of the Coptic Orthodox Church extends to the entire See of Saint Mark, both in Egypt and abroad.

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

S Mikhail  
G Kahail  
A B Obaid  
N Seedhom  
S Baghdady  
A Abraham  
K Butros

St Mary and St Abraam Coptic Orthodox Church was formed on 25th June 1991 and was registered with the Charity Commissioners, registration number 1003739 on 25th June 1991.

The Charity is governed by the Charities Act 2011 and its constitution which allows the charity's affairs to be controlled by a committee of five to twelve members of which three must be officers of the church. The committee is responsible for the appointment of all trustees and the three key positions of Chairman, Secretary, and Treasurer.

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.

# **ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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St Mary St Abraam Coptic Orthodox Church is committed to ensuring governance arrangements that are robust to ensure that the Charity is managed in accordance with the current legislation, as well as adopting procedures that are examples of good practice and improve the effectiveness of the Charity.

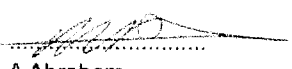
The Charities Act 1993 defines charity Trustees as the people responsible under the charity's governing document for controlling the administration and management of the charity. For St Mary St Abraam Coptic Orthodox Church, the trustees are the Management Committee of the organisation and are known as the Church Council. Co-opted members are invited to join the board for their areas of specialist interest. Although they do not have the same legal responsibilities as trustees, they will be recruited and inducted in the same manner and would be required to adhere to the same code of conduct.

St Mary St Abraam Coptic Orthodox Church adheres to the new Code of Governance for the Voluntary and Community Sector. This includes, as part of its principles, that 'Trustees should have the diverse range of skills, experience and knowledge needed to run an organisation effectively' and that 'Trustees should ensure that they receive the necessary induction, training and ongoing support they need to discharge their duties.

### **Funds held as custodian trustee**

The Church Council confirms there were no funds held as custodian trustee.

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

  
A Abraham

Trustee

Dated: 22/09/2021

# **ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE TRUSTEES OF ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,**

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#### **Opinion**

We have audited the financial statements of St Mary and St Abraam Coptic Orthodox Church, (the 'charity') for the year ended 31 December 2018 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,**

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Other matters**

Your attention is drawn to the fact that the charity has prepared financial statements 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 (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,

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#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Knill James Ltd*

Mark Filsell FCA (Senior Statutory Auditor)  
for and on behalf of Knill James LLP

*30 September 2021*

Chartered Accountants  
Statutory Auditor

One Bell Lane  
Lewes  
East Sussex  
BN7 1JU

Knill James LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
<b><u>Income from:</u></b>					
Donations and legacies	3	219,098	211,513	430,611	417,251
Other trading activities	4	270,211	-	270,211	232,289
Investments	5	34,534	-	34,534	35,190
<b>Total income</b>		<b>523,843</b>	<b>211,513</b>	<b>735,356</b>	<b>684,730</b>
<b><u>Expenditure on:</u></b>					
Raising funds	6	194,802	-	194,802	187,920
Charitable activities	7	387,397	58,209	445,606	383,303
Property rental costs	11	49,614	-	49,614	30,680
<b>Total resources expended</b>		<b>631,813</b>	<b>58,209</b>	<b>690,022</b>	<b>601,903</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(107,970)</b>	<b>153,304</b>	<b>45,334</b>	<b>82,827</b>
Gross transfers between funds		153,304	(153,304)	-	-
<b>Net income for the year/ Net movement in funds</b>		<b>45,334</b>	<b>-</b>	<b>45,334</b>	<b>82,827</b>
Fund balances at 1 January 2018		1,172,290	-	1,172,290	1,089,463
<b>Fund balances at 31 December 2018</b>		<b>1,217,624</b>	<b>-</b>	<b>1,217,624</b>	<b>1,172,290</b>

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

All income and expenditure derive from continuing activities.

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,

## BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	12		3,493,269		2,418,734
<b>Current assets</b>					
Debtors	13	11,846		13,836	
Cash at bank and in hand		216,785		270,211	
		228,631		284,047	
<b>Creditors: amounts falling due within one year</b>	15	(97,547)		(110,986)	
Net current assets			131,084		173,061
<b>Total assets less current liabilities</b>			3,624,353		2,591,795
<b>Creditors: amounts falling due after more than one year</b>	16		(2,406,729)		(1,419,505)
<b>Net assets</b>			1,217,624		1,172,290
<b>Income funds</b>					
Unrestricted funds			1,217,624		1,172,290
			1,217,624		1,172,290

The financial statements were approved by the Trustees on 23/09/2021



A Abraham  
Trustee



# **ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **1 Accounting policies**

#### **Charity information**

St Mary and St Abraam Coptic Orthodox Church, is a registered charity formed on 25 June 1991 and is governed by its constitution. The main address of the charity is Divigdor Road, Hove, East Sussex.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's Constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

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

#### **1.3 Charitable funds**

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

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### **1.4 Income**

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

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

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 1 Accounting policies

(Continued)

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

#### 1.5 Expenditure

Expenditure is included within the statement of financial activities on an accruals basis. Expenditure which is directly attributable to specific projects has been included within those cost categories. Where costs are attributable to more than one activity, they have been apportioned across the cost categories on the basis consistent with the use of those resources.

#### 1.6 Tangible fixed assets

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

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

Freehold land and buildings	2% on cost
Fixtures and fittings	25% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

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

#### 1.8 Cash and cash equivalents

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

#### 1.9 Financial instruments

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

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

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

#### Basic financial assets

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

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

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

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

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

#### **Derecognition of financial liabilities**

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

#### **1.10 Retirement benefits**

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

### 2 Critical accounting estimates and judgements

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

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

#### **Critical judgements**

#### **Depreciation**

The charity exercises judgment to determine useful lives and residual values of property, plant and equipment. The assets are depreciated down to their residual values over their estimated useful lives.

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2018 £	2018 £	2018 £	2017 £
Donations and gifts	207,768	211,513	419,281	405,466
Membership fees	11,330	-	11,330	11,785
	<u>219,098</u>	<u>211,513</u>	<u>430,611</u>	<u>417,251</u>
For the year ended 31 December 2017	<u>249,398</u>	<u>167,853</u>		<u>417,251</u>

### 4 Other trading activities

	Unrestricted funds	Total
	2018 £	2017 £
Fairs and celebrations	79,273	64,971
Shop income	190,938	167,318
	<u>270,211</u>	<u>232,289</u>

### 5 Investments

	Unrestricted funds	Total
	2018 £	2017 £
Rental income	34,456	35,164
Interest receivable	78	26
	<u>34,534</u>	<u>35,190</u>

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 6 Raising funds

	Unrestricted funds	Total
	2018	2017
	£	£
<u>Fundraising and publicity</u>		
Fairs and celebrations costs	54,790	66,102
<u>Trading costs</u>		
Shop expenses	140,012	121,818
	<u>194,802</u>	<u>187,920</u>

### 7 Charitable activities

	Church expenditure 2018	Church expenditure 2017
	£	£
Staff costs	32,137	31,999
Depreciation and impairment	89,679	63,499
Sunday school and youth expenses	51,895	17,140
Donations	49,247	102,680
Tombs expenses	14,102	-
	<u>237,060</u>	<u>215,318</u>
Share of support costs (see note 8)	110,943	82,235
Share of governance costs (see note 8)	97,603	85,750
	<u>445,606</u>	<u>383,303</u>
<b>Analysis by fund</b>		
Unrestricted funds	387,397	280,623
Restricted funds	58,209	102,680
	<u>445,606</u>	<u>383,303</u>

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 8 Support costs

	Support costs	Governance costs	2018	2017
	£	£	£	£
Church repairs & renewals	49,562	-	49,562	19,877
Church utilities & insurance	26,745	-	26,745	28,963
Motor & travel expenses	26,207	-	26,207	24,897
Printing, postage & stationery	613	-	613	560
Telephone & internet	4,755	-	4,755	4,074
Laundry & cleaning	2,820	-	2,820	3,717
Sundry expenses	241	-	241	147
Audit fees	-	5,500	5,500	-
Legal and professional	-	5,600	5,600	27,861
Bank interest	-	84,121	84,121	55,054
Bank charges	-	1,906	1,906	2,135
Hire purchase interest	-	476	476	700
	<u>110,943</u>	<u>97,603</u>	<u>208,546</u>	<u>167,985</u>
Analysed between				
Charitable activities	<u>110,943</u>	<u>97,603</u>	<u>208,546</u>	<u>167,985</u>

Governance costs includes payments to the auditors of £5,500 (2017- £nil) for audit fees.

### 9 Trustees

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

### 10 Employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
Priests	<u>2</u>	<u>2</u>
Employment costs		
	2018	2017
	£	£
Wages and salaries	31,800	31,800
Other pension costs	337	199
	<u>32,137</u>	<u>31,999</u>

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

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 11 Property rental costs

	Unrestricted funds	Total
	2018	2017
Rent & rates	31,232	27,404
Repairs & renewals	8,543	3,276
Utilities & insurance	7,287	-
Financing costs	2,552	-
	<u>49,614</u>	<u>30,680</u>

### 12 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2018	2,661,630	147,900	94,547	2,904,077
Additions	1,119,480	44,734	-	1,164,214
Disposals	-	(63,984)	-	(63,984)
At 31 December 2018	<u>3,781,110</u>	<u>128,650</u>	<u>94,547</u>	<u>4,004,307</u>
<b>Depreciation and impairment</b>				
At 1 January 2018	298,781	116,226	70,336	485,343
Depreciation charged in the year	64,317	19,084	6,053	89,454
Eliminated in respect of disposals	-	(63,759)	-	(63,759)
At 31 December 2018	<u>363,098</u>	<u>71,551</u>	<u>76,389</u>	<u>511,038</u>
<b>Carrying amount</b>				
At 31 December 2018	<u>3,418,012</u>	<u>57,099</u>	<u>18,158</u>	<u>3,493,269</u>
At 31 December 2017	<u>2,362,849</u>	<u>31,674</u>	<u>24,211</u>	<u>2,418,734</u>

### 13 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	<u>11,846</u>	<u>13,836</u>

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 14 Loans and overdrafts

	2018 £	2017 £
Bank loans	2,483,491	1,515,883
Payable within one year	78,663	101,360
Payable after one year	2,404,828	1,414,523

The long-term loans are secured by fixed charges over the freehold property.

Loans with Lloyds Bank are over fixed terms at interest rates ranging from 4.97% to 5.56%. The loan with Charity Bank is interest free until April 2020. Maturity dates range from August 2030 to April 2037.

### 15 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans	14	78,663	101,360
Obligations under finance leases		3,081	2,857
Other creditors		80	66
Accruals and deferred income		15,723	6,703
		97,547	110,986

### 16 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank loans	14	2,404,828	1,414,523
Obligations under hire purchase		1,901	4,982
		2,406,729	1,419,505

### 17 Retirement benefit schemes

#### Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £337 (2017 - £199).



# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH,

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Balance at 31 December 2018
	Incoming resources	Resources expended	Transfers	
	£	£	£	£
Brothers Of Christ	13,811	(44,107)	30,296	-
Tombs	740	(14,102)	13,362	-
New property	196,962	-	(196,962)	-
	<u>211,513</u>	<u>(58,209)</u>	<u>(153,304)</u>	<u>-</u>

#### Brother of Christ

Funds are raised in order to make donations to the Brothers of Christ.

#### Tombs

Funds raised to maintain the Tombs.

#### New property

Funds raised to support the property purchase/development.

### 19 Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
Fund balances at 31 December 2018 are represented by:				
Tangible assets	3,493,269	-	3,493,269	2,418,734
Current assets/(liabilities)	131,084	-	131,084	173,061
Long term liabilities	(2,406,729)	-	(2,406,729)	(1,419,505)
	<u>1,217,624</u>	<u>-</u>	<u>1,217,624</u>	<u>1,172,290</u>

### 20 Related party transactions

There were no disclosable related party transactions during the year (2017 - none).