

Charity registration number 1003739

**ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	S Mikhail G Khalil 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 2021

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The trustees present their annual report and financial statements for the year ended 31 December 2021.

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 [governing document], the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

#### **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 or 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 and 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, aid with for 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 the 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 2021**

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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 Promoting the whole mission of the church through activities for senior citizens, parents and toddlers and other special needs groups
8. Supporting other charities in the UK and overseas, through Missionary and outreach work
9. Learning about the Gospel
10. 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**

Due to the Covid Pandemic the church had to limit its activities to the Church Weekly Masses conducted under restricted measures, while all other services were suspended. Hence there were no achievements all throughout 2021.

The refurbishment project of St. Demiana and Pope Kyrillos VI Gardens Methodist Church had also been suspended and recommence in 2022.

All youth activities such as conferences, retreats and trips were suspended.

The Sunday Schools, youth meetings, prayer meetings, Bible studies, and pre-and post-graduate meetings had been suspended.

The church youth sports activities such as football and tennis table teams had also been suspended.

The Church Closure resulted in a massive reduction in members contributions hence all support for the Coptic communities in Egypt and Sudan was also suspended.

The Youth Group ACTION had also suspended their activities.

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Financial review**

During 2021 the Church Committee's main and only financial objective was to ensure the Charity survived financially during the Covid Pandemic.

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 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 £624,693 (2020 - £668,241) was £38,805 (2020 - £96,004). At the end of the financial year reserves were £1,285,289 (2020 - £1,246,484).

### **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

### **Reserves policy**

The level of reserves is regularly reviewed by the trustees before making major income and expenditure decisions.

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 2021 stood at £260,157. The Church Council will continue to monitor the cash balance.

### **Investment policy**

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 is identified, understood, and evaluated by the Trustee board.

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

#### ***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.

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### *Strategic*

- Failure to control costs
- Failure to understand the resources needed for a particular project or particular service that the charity wishes to offer.

### *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.

### *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.

### *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 will always take responsibility for ensuring that a risk management system is in place to protect the charity from any harm that may be caused. This risk management system reduces 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 continue to make our church the lively and vibrant community it is throughout the whole of 2021. 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.

### **Plans for future periods**

During 2021, we were not able to make any plans due to the Pandemic. We mainly concentrated our efforts in coming up with strategies in how to make the Church survive financially during the closure.

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **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 Khalil  
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 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 adhere 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 are planning to receive the necessary induction, training, and ongoing support they need to discharge their duties.

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH

## TRUSTEES' REPORT (CONTINUED)

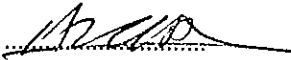
FOR THE YEAR ENDED 31 DECEMBER 2021

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### 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: 05/07/2023

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

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2021**

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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 2021 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### 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 contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### 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.

# 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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#### **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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We considered those laws and regulations that have a direct impact on the financial statements. We evaluated the opportunities for fraudulent manipulation of the financial statements (including the risk of override of the controls in place), and carried out the following procedures.

- Enquiry of management those charged with governance around actual and potential litigation and claims;
- Enquiry of staff in compliance functions to identify any instances of non-compliance with laws and regulations
- Reviewing minutes of meetings
- Performing audit procedures on the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available 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 auditor's 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 LLP*

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

*6 July 2023*

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 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 2021

### Current financial year

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	270,569	41,891	312,460	411,455
Other trading activities	4	332,755	-	332,755	333,260
Investments	5	16,172	-	16,172	19,530
Other income	6	2,111	-	2,111	-
<b>Total income</b>		<b>621,607</b>	<b>41,891</b>	<b>663,498</b>	<b>764,245</b>
<b><u>Expenditure on:</u></b>					
Raising funds	7	202,618	-	202,618	332,246
Charitable activities	8	347,873	-	347,873	270,389
Property rental costs	12	74,202	-	74,202	65,606
<b>Total expenditure</b>		<b>624,693</b>	<b>-</b>	<b>624,693</b>	<b>668,241</b>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(3,086)</b>	<b>41,891</b>	<b>38,805</b>	<b>96,004</b>
Fund balances at 1 January 2021		1,219,537	26,947	1,246,484	1,150,480
<b>Fund balances at 31 December 2021</b>		<b>1,216,451</b>	<b>68,838</b>	<b>1,285,289</b>	<b>1,246,484</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

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

Prior financial year	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<b><u>Income and endowments from:</u></b>				
Donations and legacies	3	350,170	61,285	411,455
Other trading activities	4	333,260	-	333,260
Investments	5	19,530	-	19,530
<b>Total income</b>		702,960	61,285	764,245
<b><u>Expenditure on:</u></b>				
Raising funds	7	332,246	-	332,246
Charitable activities	8	236,051	34,338	270,389
Property rental costs	12	65,606	-	65,606
<b>Total expenditure</b>		633,903	34,338	668,241
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		69,057	26,947	96,004
Fund balances at 1 January 2020		1,150,480	-	1,150,480
<b>Fund balances at 31 December 2020</b>		1,219,537	26,947	1,246,484

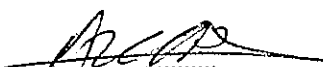
# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	14		3,264,477		3,338,510
<b>Current assets</b>					
Stocks	15	23,304		-	
Debtors	16	147		12,898	
Cash at bank and in hand		260,157		256,898	
			<u>283,608</u>		<u>269,796</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>(147,257)</u>		<u>(149,606)</u>	
Net current assets			<u>136,351</u>		<u>120,190</u>
<b>Total assets less current liabilities</b>			<u>3,400,828</u>		<u>3,458,700</u>
<b>Creditors: amounts falling due after more than one year</b>	19		<u>(2,115,539)</u>		<u>(2,212,216)</u>
<b>Net assets</b>			<u><u>1,285,289</u></u>		<u><u>1,246,484</u></u>
<b>Income funds</b>					
Restricted funds	21		68,838		26,947
Unrestricted funds			1,216,451		1,219,537
			<u>1,285,289</u>		<u>1,246,484</u>

The financial statements were approved by the Trustees on 05/07/2023



A Abraham  
Trustee

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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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 Davigdor 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) (effective 1 January 2019)". 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.

#### **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.

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.

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 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 the statement of financial activities.

#### 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 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.9 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.

#### 1.10 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.

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### **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.

#### **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.

#### 1.11 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 2021

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Donations and gifts	259,699	41,891	301,590	327,748	61,285	389,033
JRS Grant	9,540	-	9,540	21,357	-	21,357
Membership fees	1,330	-	1,330	1,065	-	1,065
	<u>270,569</u>	<u>41,891</u>	<u>312,460</u>	<u>350,170</u>	<u>61,285</u>	<u>411,455</u>

### 4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Fairs and celebrations	-	2,836
Shop income	332,755	330,424
	<u>332,755</u>	<u>333,260</u>

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Rental income	16,160	19,497
Interest receivable	12	33
	<u>16,172</u>	<u>19,530</u>

### 6 Other income

	Unrestricted funds	Total
	2021	2020
	£	£
Net gain on disposal of tangible fixed assets	<u>2,111</u>	<u>-</u>

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 7 Raising funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Fairs and celebrations costs	592	4,694
	<hr/>	<hr/>
<u>Trading costs</u>		
Shop expenses	202,026	327,552
	<hr/>	<hr/>
	<u>202,618</u>	<u>332,246</u>

### 8 Charitable activities

	Church expenditure	Church expenditure
	2021	2020
	£	£
Staff costs	46,250	43,870
Depreciation and impairment	77,456	80,694
Sunday school and youth expenses	266	882
Donations	13,300	2,400
Charitable expenditure heading 3	10,896	-
Action Foundation	-	34,338
	<hr/>	<hr/>
	148,168	162,184
Share of support costs (see note 9)	71,156	47,089
Share of governance costs (see note 9)	128,549	61,116
	<hr/>	<hr/>
	<u>347,873</u>	<u>270,389</u>
<b>Analysis by fund</b>		
Unrestricted funds	347,873	236,051
Restricted funds	-	34,338
	<hr/>	<hr/>

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Support costs	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Church repairs & renewals	21,407	-	21,407	8,545	-	8,545
Church utilities & insurance	25,669	-	25,669	20,899	-	20,899
Motor & travel expenses	13,956	-	13,956	10,646	-	10,646
Printing, postage & stationery	664	-	664	405	-	405
Telephone & internet	4,860	-	4,860	4,946	-	4,946
Laundry & cleaning	4,600	-	4,600	1,648	-	1,648
Audit fees	-	5,395	5,395	-	5,775	5,775
Legal and professional	-	22,586	22,586	-	5,570	5,570
Bank interest	-	93,358	93,358	-	47,834	47,834
Bank charges	-	7,210	7,210	-	1,893	1,893
Hire purchase interest	-	-	-	-	44	44
	<u>71,156</u>	<u>128,549</u>	<u>199,705</u>	<u>47,089</u>	<u>61,116</u>	<u>108,205</u>
Analysed to Charitable activities	<u>71,156</u>	<u>128,549</u>	<u>199,705</u>	<u>47,089</u>	<u>61,116</u>	<u>108,205</u>

Governance costs includes payments to the auditors of £6,350 (2020 - £5,775) for audit fees.

### 10 Trustees

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

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 11 Employees

The average monthly number of employees during the year was:

	<b>2021</b>	2020
	<b>Number</b>	Number
Priests	3	3
	<u>          </u>	<u>          </u>
<b>Employment costs</b>	<b>2021</b>	2020
	<b>£</b>	<b>£</b>
Wages and salaries	45,490	42,665
Other pension costs	760	1,205
	<u>          </u>	<u>          </u>
	<b>46,250</b>	<b>43,870</b>
	<u>          </u>	<u>          </u>

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

### 12 Property rental costs

	<b>Unrestricted</b>	Unrestricted
	<b>funds</b>	funds
	<b>2021</b>	2020
Rent & rates	59,566	55,823
Repairs & renewals	1,855	1,278
Utilities & insurance	12,781	8,505
	<u>          </u>	<u>          </u>
	<b>74,202</b>	<b>65,606</b>
	<u>          </u>	<u>          </u>

### 13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 14 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2021	3,781,110	140,398	94,547	4,016,055
Additions	-	5,002	-	5,002
Disposals	-	-	(26,088)	(26,088)
At 31 December 2021	3,781,110	145,400	68,459	3,994,969
<b>Depreciation and impairment</b>				
At 1 January 2021	491,731	101,481	84,333	677,545
Depreciation charged in the year	64,317	10,980	2,159	77,456
Eliminated in respect of disposals	-	-	(24,509)	(24,509)
At 31 December 2021	556,048	112,461	61,983	730,492
<b>Carrying amount</b>				
At 31 December 2021	3,225,062	32,939	6,476	3,264,477
At 31 December 2020	3,289,379	38,917	10,214	3,338,510

### 15 Stocks

	2021	2020
	£	£
Finished goods and goods for resale	23,304	-

### 16 Debtors

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Other debtors	147	12,898

### 17 Loans and overdrafts

	2021	2020
	£	£
Bank loans	2,227,489	2,318,342
Payable within one year	111,950	106,126
Payable after one year	2,115,539	2,212,216

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 was interest free until April 2020. Maturity dates range from August 2030 to April 2037.

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

**18 Creditors: amounts falling due within one year**

	Notes	2021 £	2020 £
Bank loans	17	111,950	106,126
Other taxation and social security		(3,685)	2,129
Trade creditors		10,394	17,025
Other creditors		5,890	139
Accruals and deferred income		22,708	24,187
		<u>147,257</u>	<u>149,606</u>

**19 Creditors: amounts falling due after more than one year**

	Notes	2021 £	2020 £
Bank loans	17	<u>2,115,539</u>	<u>2,212,216</u>

**20 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 £760 (2020 - £1,205).

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 21 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			Movement in funds	
	Incoming resources	Resources expended <sup>1</sup>	Balance at January 2021	Incoming resources	Balance at 31 December 2021
	£	£	£	£	£
Brothers of Christ	1,720	-	1,720	-	1,720
New Property	18,197	-	18,197	34,165	52,362
Action Foundation collection	41,368	(34,338)	7,030	7,726	14,756
	<u>61,285</u>	<u>(34,338)</u>	<u>26,947</u>	<u>41,891</u>	<u>68,838</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.

#### Holy books

Funds donated for the purchase of Holy books.

#### Action Foundation

Donations collected for the Action Foundation.

### 22 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020
	£	£	£	£	£
Fund balances at 31 December 2021 are represented by:					
Tangible assets	3,264,477	-	3,264,477	3,338,510	3,338,510
Current assets/(liabilities)	136,351	-	136,351	93,243	120,190
Long term liabilities	(2,115,539)	-	(2,115,539)	(2,212,216)	(2,212,216)
	<u>1,285,289</u>	<u>-</u>	<u>1,285,289</u>	<u>1,219,537</u>	<u>1,246,484</u>

# ST MARY AND ST ABRAAM COPTIC ORTHODOX CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2021*

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### **23 Related party transactions**

During the year payments amounting to £11,748 were made to St George Insurance Brokers Limited, a company controlled by Akram Aziz Abrahaam, a trustee.

