

HOPE CHURCH, LANCASTER

ANNUAL REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

HOPE CHURCH, LANCASTER

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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HOPE CHURCH, LANCASTER

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 DECEMBER 2021

The Board of Trustees

SJ Ehly
SJ Ellershaw
AJ Gardner
JLC Haxby
TP Morris
PB Murphy
JE Osborne
EJ Sudell
H Wilkinson
NFC Wilkinson

Principal Address

Hope Church
Queen Street
Lancaster
LA1 1RX

Charity Registered Number

518178

Independent Examiner

M R Cornall Esq
102 Heath Road
Ashton-in-Makerfield
Wigan
Lancashire
WN4 9HH

Bankers

Barclays Bank plc
38 Market Street
Lancaster
LA1 1HR

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

HOPE CHURCH, LANCASTER

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present the annual report together with the financial statements of the charity for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts 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 published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2017).

Objectives and activities

Objects and aims

The object of the Hope Church, Lancaster is the furtherance, in Lancaster, of the religious and other charitable work of the Free Methodist Church of North America in accordance with the doctrines, disciplines and usages of that church for the time being as set forth in the book of discipline.

Objectives, strategies and activities

The church was established for Christian worship, prayer, Bible teaching and the preaching of the gospel. We seek to serve the local community by providing a place of prayer and worship.

Public benefit

We regularly promote and publicise our activities in the local community.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievement and Performance

Looking back over 2022 we are thankful to God for His continued provision of the gifts, tithes and offerings for His work. We count it a privilege to have been able to support many missionary societies and individuals home and overseas. We have continued to reach out into our local community with God's love and care. We are particularly pleased that we have been able to continue to serve our community despite the challenges we have faced due to the cost of living increases and rising inflation levels.

Financial review

Policy on reserves

Reserves held are usually sufficient to pay on-going expenses for at least two months. Any surplus funds are transferred to interest bearing accounts. Free reserves held at the year end are £131,812 (2021 - £163,104)

Investment policy and objectives

At the present time the trustees do not have a selection policy for investment as finances are such that there are only low surplus funds.

Structure, Governance and Management

The charity was established by trust deed dated 09/03/00 (New Scheme) and is registered with the Charity Commission, No 518178. Hope Church, Lancaster is one of a number of Free Methodist Churches in the United Kingdom Conference. The members of the Church elect the trustees on an annual basis. The Annual General Meeting is held in June each year.

Signed on behalf of the trustees



T P Morris
Trustee

Approved by the trustees on 28 October 2023

HOPE CHURCH, LANCASTER

INDEPENDENT EXAMINER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

I report on the accounts of the Hope Church, Lancaster for the year ended 31 December 2022, which are set out on pages 4 to 12.

Respective responsibilities of the trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiners' statement

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiners' statement

In the course of my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act 2011; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Charities Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



M R Cornall Esq
102 Heath Road
Ashton-in-Makerfield
Wigan
Lancashire
WN4 9HH

28 October 2023

HOPE CHURCH, LANCASTER

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Income and Endowments from:						
Donations and Legacies	2	68,039	-	28,997	97,036	130,358
Investment Income	3	-	-	-	-	6
Other Income		13,847	-	-	13,847	11,636
Total Income		<u>81,886</u>	<u>-</u>	<u>28,997</u>	<u>110,883</u>	<u>142,000</u>
Expenditure on:						
Charitable Activities	4	83,577	-	44,740	128,317	74,904
Governance Costs	7	6,227	-	-	6,227	6,510
Total Expenditure		<u>89,804</u>	<u>-</u>	<u>44,740</u>	<u>134,544</u>	<u>81,414</u>
Net Movement in Funds		(7,918)	-	(15,743)	(23,661)	60,586
Transfer between funds		4,374	642	(5,016)	-	-
Balances Brought Forward		427,647	14,643	65,905	508,195	447,609
Balances Carried Forward		<u>424,103</u>	<u>15,285</u>	<u>45,146</u>	<u>484,534</u>	<u>508,195</u>

The notes on pages 6 to 11 form part of these financial statements.

HOPE CHURCH, LANCASTER

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021	
	Note	£	£	£	£
Fixed Assets					
Tangible Assets	8		352,722		345,091
Current Assets					
Debtors and Prepayments	9	37,641		26,364	
Cash at Bank and In Hand		<u>107,963</u>		<u>141,207</u>	
		145,604		167,571	
Creditors: Amounts Falling Due Within One Year	10	<u>(13,792)</u>		<u>(4,467)</u>	
Net Current Assets			<u>131,812</u>		163,104
Total Assets Less Current Liabilities			<u>484,534</u>		<u>508,195</u>
Net Assets			<u>484,534</u>		<u>508,195</u>
Funds					
Unrestricted Funds					
General Fund		<u>424,103</u>		<u>427,647</u>	
Designated Funds		15,285		14,643	
Restricted Funds	11	<u>45,146</u>		<u>65,905</u>	
			<u>484,534</u>		<u>508,195</u>
Total Funds	12		<u>484,534</u>		<u>508,195</u>

These financial statements were approved by the trustees on 28 October 2023 and are signed on their behalf by:



T P Morris
Trustee

The notes on pages 6 to 12 form part of these financial statements.

HOPE CHURCH, LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies

Statement of compliance

The financial statements have been prepared 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Hope Church, Lancaster meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Exemption from preparing a cash flow statement

The charity opted to adopt Bulletin 1 published on 2 February 2017 and have therefore not included a cash flow statement in these financial statements.

Going concern

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

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

HOPE CHURCH, LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £250.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures, fittings and equipment	25% Reducing balance
Computer equipment	25% Straight line

Trade debtors

Are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of is established when there is objective evidence that the will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Gifts in kind

The Church benefits from many voluntary hours and unclaimed out of pocket expenses contributed by a large number of people. It would be impossible to place a value on these gifts in kind, for which we are extremely grateful.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity. Designated funds and unrestricted funds are resources set aside for specific purposes at the discretion of the trustees. Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

HOPE CHURCH, LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2. Income from donations and legacies

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
Regular giving and capital donations	57,039	-	28,997	86,036	117,858
Gift aid reclaimed	11,000	-	-	11,000	12,500
	<u>68,039</u>	<u>-</u>	<u>28,997</u>	<u>97,036</u>	<u>130,358</u>

3. Investment Income

	Unrestricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£
Interest receivable on bank deposits	-	-	6
	<u>-</u>	<u>-</u>	<u>6</u>

HOPE CHURCH, LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

4. Charitable Activities

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Wages and salaries	45,828	-	24,814	70,642	37,995
Staff pensions (Defined contribution)	2,109	-	1,186	3,295	2,854
Staff Expenses and Costs	717	-	1,766	2,483	453
Facilities					
Cleaning Costs	3,189	-	-	3,189	2,784
Repairs	2,885	-	-	2,885	1,798
Water	327	-	-	327	240
Rates	-	-	-	-	852
Heat and Light	5,608	-	-	5,608	2,832
Telephone	592	-	-	592	599
Insurance	2,779	-	-	2,779	3,002
Manse Insurance	244	-	-	244	115
Administration	2,529	-	2,309	4,838	1,141
Discipleship	1,967	-	-	1,967	873
Mission	697	-	-	697	886
Pastoral Care	141	-	-	141	291
Sunday Service Costs	2,421	-	3,925	6,346	2,461
Youth and Children	511	-	474	985	441
Church Tithes and Special Gifts	6,937	-	10,266	17,203	10,776
Depreciation of Fixtures, Fittings and Equipment	4,096	-	-	4,096	4,511
	<u>83,577</u>	<u>-</u>	<u>44,740</u>	<u>128,317</u>	<u>74,904</u>

HOPE CHURCH, LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

5. Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries including social security costs	70,642	37,995
Pension costs	3,295	2,854
	<u>73,937</u>	<u>40,849</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2022 No	2021 No
Charitable activities	<u>2</u>	<u>2</u>

No employee received emoluments of more than £60,000 during the year

6. Trustees Remuneration and Expenses

The Pastor and JLC Haxby, who were trustees of the Church, received payments from their employment from the Church as follows:

	£
Andrew Gardner	18,528
Jamie Haxby	32,307
	<u>50,835</u>

In addition Skyler Ehly received £50 payment for providing tech support at a wedding hosted at Hope Church.

7. Governance Costs

	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Accountancy Fees	756	756	600
Independent Examiner's Fee	250	250	250
Conference Levy	3,852	3,852	3,799
CCPAS, CRB and Music Licence Fees	297	297	1,603
Bank Charges	1,072	1,072	188
Sundry fees	-	-	70
	<u>6,227</u>	<u>6,227</u>	<u>6,510</u>

HOPE CHURCH, LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

8. Tangible Fixed Assets

	Freehold Land and Buildings £	Fixtures, Fittings and Equipment £	Total £
Cost			
At 1 January 2022	331,560	75,547	407,107
Additions	6,378	5,349	11,727
At 31 December 2022	<u>337,938</u>	<u>80,896</u>	<u>418,834</u>
Depreciation			
At 1 January 2022	-	62,016	62,016
Charge for the Year	-	4,096	4,096
At 31 December 2022	<u>-</u>	<u>66,112</u>	<u>66,112</u>
Net Book Value			
At 31 December 2022	<u>337,938</u>	<u>14,784</u>	<u>352,722</u>
At 1 January 2022	<u>331,560</u>	<u>13,531</u>	<u>345,091</u>

9. Debtors

	2022 £	2021 £
Tax Refund on Gift Aid	36,500	25,500
Gift Aid Specific Gifts	1,141	864
	<u>37,641</u>	<u>26,364</u>

10. Creditors: Amounts Falling Due Within One Year

	2022 £	2021 £
Creditors	13,542	4,217
Accruals	250	250
	<u>13,792</u>	<u>4,467</u>

HOPE CHURCH, LANCASTER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

11. Restricted Funds

	At 1 January 2022 £	Income £	Expenses £	Transfer between funds £	At 31 December 2022 £
Gifts for Specific Causes	65,905	28,977	(44,740)	(5,016)	45,146
	<u>65,905</u>	<u>28,977</u>	<u>(44,740)</u>	<u>(5,016)</u>	<u>45,146</u>

12. Analysis of Net Assets Between Funds

	Fixed Assets £	Bank £	Net Current Assets / (Liabilities) £	Total £
General Funds	352,722	47,532	23,849	424,103
Designated Funds	-	15,285	-	15,285
Restricted Funds	-	45,146	-	45,146
	<u>352,722</u>	<u>107,963</u>	<u>23,849</u>	<u>484,534</u>

13. Related party transactions

There were no related party transactions in the year.