

Charity Registration No. 1072645

Company Registration No. 03578938 (England and Wales)

NEW COMMUNITY NETWORK
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



NEW COMMUNITY NETWORK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr W R Kennedy Dr C R Abraham Mrs S M Frame Mr C N D Romilly Mrs T N Ugo Mr A Sheen	(Appointed 23 September 2020)
Charity number	1072645	
Company number	03578938	
Principal address	Central Hall St Mary Street Southampton Hants SO14 1NF	
Registered office	Central Hall St Mary Street Southampton Hants SO14 1NF	
Auditor	Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF	
Bankers	Barclays Bank PLC Hatton Garden Business Centre 99 Hatton Garden London EC1N 8DN CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	
Solicitors	Blake Morgan New Kings Court Tollgate Chandler's Ford Eastleigh SO53 3LG	

NEW COMMUNITY NETWORK

CONTENTS

	Page
Trustees' report	1-5
Statement of trustees' responsibilities	6
Independent auditor's report	7-8
Consolidated statement of financial activities	9-10
Charity statement of financial activities	11-12
Consolidated and charity statement of financial position	13
Statement of cash flows	14
Notes to the financial statements	15-32

NEW COMMUNITY NETWORK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their report and financial statements for the year ended 31 August 2020.

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 Memorandum and Articles of Association, the Companies Act 2006 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)".

Objectives and activities

The objectives of the charity are:

- To advance the Christian faith;
- To advance education;
- To promote the creative arts for the public benefit;
- To relieve those who are poor, in conditions of need, hardship or distress or who are aged or sick; and
- To promote such other charitable objects as the trustees shall from time to time determine.

The Trustees have considered and have had due regard to the Commission's guidance on public benefit and, in particular, the specific guidance on activities for the advancement of religion.

The Trustees are satisfied that the objectives of the Charity have been met, and that appropriate procedures and controls are in place to ensure continued operation.

Grant making policy

The charity is not primarily a grant making charity and does not solicit applications from organisations or individuals. We will from time to time make grants from our own funds or specifically raise funds for projects undertaken by other organisations. This would normally be in a geographical location and for a purpose we cannot undertake ourselves e.g. international crisis relief.

We will also make small grants to individuals with whom we have personal contact to enable them to achieve one of our charitable objectives. All grants are monitored to ensure they are used for the purpose that they are given.

Grants made during the year amounted to £97,417 (2019: £103,619) and were made up of £10,655 of grants to individuals (2019: £11,119) and £86,762 of grants to institutions (2019: £92,500). An analysis of institutional grants made above £10,000 is provided in note 9 in the accounts.

Achievements and performance

Advance the Christian faith

2020 has been an unprecedented year as we have adjusted to working in a new environment throughout the coronavirus pandemic. New Community Church continues to express our Christian faith in these uncertain times. Since March, our main expressions of church have moved online with regular services and connecting points offered via YouTube, Facebook Live and Zoom.

These have been supported by a wide variety of small group activities throughout the week including Alpha courses for those exploring faith, group activities for young people, and learning opportunities for those who want to study in more depth.

NEW COMMUNITY NETWORK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

In the first half of the year Central Hall was regularly used to host a number of conferences where delegates heard from leading Christian thinkers and exponents. Unfortunately, this has not been possible since March.

School of Ministries is our teaching and training programme which develops and trains leaders in Christian ministry, working mainly in developing countries where leaders would be unable to attend traditional training establishments. We were able to host our first School of Ministries conference in March with delegates from many of the nations where we work. However, in the second half of the year, the challenge of the global nature of the pandemic impacted our ability to travel and deliver the schools.

Advance Education

We continue to partner with New Generation Schools Trust to deliver primary education through Hope Community School. The school are currently tenants of Central Hall as a temporary site whilst permanent facilities are being built nearby. This year we increased from 60 to 120 children.

The profile and reputation of our Central Counselling and Training Service [CCTS] continues to grow with our training courses and counselling services receiving consistently positive feedback. All of our training services and counselling moved online in March to comply with lockdown restrictions.

Promote Creative Arts

We provide a supportive environment for artists, singers, and musicians. Local orchestras, bands, and choirs regularly use Central Hall as a performance venue. In the first half of the year we provided a venue for various Southampton orchestras, schools, and musical events.

Our trading subsidiary, New Community Ventures, saw a growing momentum of bookings up to the lockdown announced in March. All indoor events have been severely limited since that time but advance bookings for 2021 and beyond are starting to come in.

Relief of the poor and those in need, hardship or distress

This year saw the launch of our 'community hub' at Central Hall providing an umbrella for the various caring initiatives that we operate. These include our weekly Bake Club, Creative English classes and the Special Guardians group for grandparents caring for their grandchildren. The Community Cafe was open every Sunday afternoon to provide hot food and drinks for up to 100 guests in a socially distanced Covid-safe way.

Through the work of our Hope Community School chaplain, we have supported children and families from the local area with targeted support. The Baby Branch has continued to operate from its base at St Andrews in Sholing, providing baby clothes and equipment to mothers in need.

We have continued to support the work of the International Christian Assemblies church and the Kibera Saints in Kibera, Kenya. This year we have been able to raise additional funds to help with food distribution and the ongoing feeding project during the pandemic. We continue to sponsor individual children, orphanages and relief projects in Kenya and India.

NEW COMMUNITY NETWORK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

The principal funding sources for the Charity are voluntary donations and income from hire of facilities. These funds are used to operate a number of church congregations and projects with a Christian ethos.

Voluntary giving decreased to £693,838 (2019 - £723,929). Unrestricted voluntary income, which includes donations and related tax recovered, was £552,423 (2019 - £577,330) and restricted voluntary income £86,715 (2019 - £87,050).

The Consolidated Statement of Financial Activities reports an overall deficit of £62,559 (2019 - Deficit £169,672) for the year. However, this includes a depreciation charge, which is a non-cash item, of £63,832 (2019 - £78,246).

Capital expenditure in the year was £9,414 (2019: £10,203).

The balance outstanding on our bank loan as at the end of the financial year was £602,051 (2019 - £630,792).

New Community Enterprise Ltd (NCE) ceased trading in March 2020, making a profit of £800 (2019: £1,699 [before parent loan write off of £73,020]).

New Community Ventures Ltd (NCV) made a loss of £2,033 (2019 - Loss £68,591).

Total funds held as at 31 August 2020 were £1,179,869 (2019: £1,242,428), of which £537,172 (2019: £589,513) were restricted, and £642,697 (2019: £652,915) were unrestricted.

Reserves policy

The board of trustees has examined the charity's requirements for reserves in the light of the main risks to the organisation. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should be kept to the lowest possible figure, recognising the intent and purpose of those who donate funds to the charity. However, we also recognise the need to make provision for working capital to cover the regular fluctuations in income and expenditure and accordingly our policy is to maintain free reserves at a figure of £50,000. At this level, the board of trustees feel that they would be able to continue the current activities of the charity for a sufficient period in the event of a significant change in funding patterns to consider how the funding would be replaced or activities changed.

The group free reserves (defined as the unrestricted net current assets of the group) at 31 August 2020 were in deficit at £8,431 (2019: deficit £28,518). The trustees will continue to closely monitor the free reserves and seek to further increase this figure.

Investment policy

The board of trustees has considered the most appropriate policy for investing the charity's short-term funds and has found that interest bearing current accounts and deposit accounts, designed for the charity sector, meet their requirements to generate a reasonable return with security of capital and ease of access as projects develop. The board of trustees considers the return on investments to be adequate. The charity has no long-term cash investments.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

With the uncertainty around Covid-19 and lockdown restrictions we will continue to adapt and innovate to enable us to fulfil our charitable aims and objectives. We will continue to live stream our services, work in partnership with others to bring relief across the city, support the work of Hope Community School and work with families to support them during this time. In addition, we will record on video all 36 modules of our School of Ministries teaching programme to enable all the teaching to be accessed online and work with our international partners in Nairobi as they serve some of the most vulnerable members of their community.

NEW COMMUNITY NETWORK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management

Governing document

New Community Network is a charitable company limited by guarantee, incorporated on 10 June 1998 as The Cornerstone Network and registered as a charity on 30 November 1998. The name was changed to New Community Network at an Extraordinary General Meeting held on 19 September 2005.

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members of the company are required to contribute an amount not exceeding £1,000.

New Community Enterprise Limited

New Community Enterprise Limited is a private company limited by shares, incorporated on 20 December 2007. New Community Network owned the entire share capital. The company ceased trading on 31 March 2020 and was formally removed from the Companies House Register on 6 October 2020.

New Community Ventures Limited

New Community Ventures Limited is a private company limited by shares, incorporated on 27 January 2017. New Community Network owns the entire share capital.

Recruitment and appointment of board of trustees

Trustees are normally, but not exclusively, recruited from the members of the charity who are all fully supportive of our aims and practically involved in the work of the charity. We aim to keep a balance of skills and backgrounds to facilitate the efficient functioning of the group. A comprehensive package of training utilising Charity Commission publications and other materials is provided to ensure that trustees are aware of their responsibilities and the hallmarks of good governance. Under the requirements of the Memorandum and Articles of Association one third of the members of the board of trustees must retire each year at the AGM.

Organisational structure and decision making processes

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr W R Kennedy

Dr C R Abraham

Mrs S M Frame

Mr K J Rayner

(Resigned 12 February 2020)

Mr C N D Romilly

Mrs T N Ugo

Mr A Sheen

(Appointed 23 September 2020)

Membership – The Charity Members form a panel of reference for the full time staff and volunteers. They meet formally at the Annual General Meeting and appoint the trustees.

Board of Trustees – The Trustees meet once per quarter to review progress against activities planned and set budgets for the year. Individual trustees work closely with staff to ensure best practice is applied and good governance is maintained.

Executive Team – The Executive Team meet monthly to oversee the day to day running of the organisation, assess the effectiveness of the various teams and manage the budget.

The pay and remuneration of the Charity's key management personnel are set by benchmarking against equivalent roles in similar organisations in the charity sector. They are reviewed annually and are subject to individual and company performance.

NEW COMMUNITY NETWORK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Risk management

The Board of Trustees has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects, and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

Auditor

The auditor, Caladine Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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



Mr W R Kennedy

Trustee

Dated: 25/3/2021

NEW COMMUNITY NETWORK

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees, who are also the directors of New Community Network for the purpose of company law, 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).

Company Law 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, including the income and expenditure, of the charitable company 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 UK 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 adequate 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 Companies Act 2006. 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.

NEW COMMUNITY NETWORK

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEW COMMUNITY NETWORK

Opinion

We have audited the financial statements of New Community Network (the 'parent charitable company') and its subsidiaries together (the 'group') for the year ended 31 August 2020 which comprise the consolidated statement of financial activities, the parent charitable company statement of financial activities, the group and parent charitable company statements of financial position, the consolidated statement of cash flows 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 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 group's affairs as at 31 August 2020 and of the group's 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 Companies Act 2006.

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 group 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 group's or the parent charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

NEW COMMUNITY NETWORK

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF NEW COMMUNITY NETWORK

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 group's and parent charitable company'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 liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Mr Colin James Dadswell ACCA (Senior Statutory Auditor)
for and on behalf of Caladine Limited

27/04/2021

Chartered Certified Accountants
Statutory Auditor

Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

NEW COMMUNITY NETWORK

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<u>Income and endowments from:</u>					
Donations and legacies	3	607,123	86,715	693,838	723,929
Charitable activities	4	85,760	-	85,760	74,624
Other trading activities	5	277,793	-	277,793	279,600
Investments	6	1,463	-	1,463	1,703
Total Income		972,139	86,715	1,058,854	1,079,856
<u>Expenditure on:</u>					
Raising funds	7	424,368	-	424,368	565,539
Charitable activities	8	583,200	109,929	693,129	683,865
Other	11	3,916	-	3,916	124
Total resources expended		1,011,484	109,929	1,121,413	1,249,528
Net incoming resources before transfers		(39,345)	(23,214)	(62,559)	(169,672)
Gross transfers between funds	20	29,127	(29,127)	-	-
Net income/(expenditure) for the year/Net movement in funds		(10,218)	(52,341)	(62,559)	(169,672)
Fund balances at 1 September 2019		652,915	589,513	1,242,428	1,412,100
Fund balances at 31 August 2020		642,697	537,172	1,179,869	1,242,428

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

NEW COMMUNITY NETWORK

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £
<u>Income and endowments from:</u>				
Donations and legacies	3	636,879	87,050	723,929
Charitable activities	4	71,494	3,130	74,624
Other trading activities	5	279,600	-	279,600
Investments	6	1,703	-	1,703
Total income		989,676	90,180	1,079,856
<u>Expenditure on:</u>				
Raising funds	7	564,969	570	565,539
Charitable activities	8	541,211	142,654	683,865
Other	11	124	-	124
Total resources expended		1,106,304	143,224	1,249,528
Net Incoming resources before transfers		(116,628)	(53,044)	(169,672)
Gross transfers between funds	20	(12,311)	12,311	-
Net income/(expenditure) for the year/Net movement in funds		(128,939)	(40,733)	(169,672)
Fund balances at 1 September 2018		781,854	630,246	1,412,100
Fund balances at 31 August 2019		652,915	589,513	1,242,428

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

NEW COMMUNITY NETWORK

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 AUGUST 2020

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<u>Income and endowments from:</u>				
Donations and legacies	584,240	86,715	670,955	723,929
Charitable activities	92,060	-	92,060	80,923
Other trading activities	2,482	-	2,482	2,890
Investments	1,441	-	1,441	3,456
Total income	680,223	86,715	766,938	811,198
<u>Expenditure on:</u>				
Raising funds	2,859	-	2,859	2,962
Charitable activities	706,909	109,929	816,838	911,293
Other	8,662	-	8,662	73,144
Total resources expended	718,430	109,929	828,359	987,399
Net incoming resources before transfers	(38,207)	(23,214)	(61,421)	(176,201)
Gross transfers between funds	29,127	(29,127)	-	-
Net income for the year/ Net movement in funds	(9,080)	(52,341)	(61,421)	(176,201)
Fund balances at 1 September 2019	701,195	589,513	1,290,708	1,466,909
Fund balances at 31 August 2020	692,115	537,172	1,229,287	1,290,708

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

NEW COMMUNITY NETWORK

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted funds £	Restricted funds £	Total 2019 £
<u>Income and endowments from:</u>			
Donations and legacies	636,879	87,050	723,929
Charitable activities	77,793	3,130	80,923
Other trading activities	2,890	-	2,890
Investments	3,456	-	3,456
Total Income	721,018	90,180	811,198
<u>Expenditure on:</u>			
Raising funds	2,392	570	2,962
Charitable activities	768,639	142,654	911,293
Other	73,144	-	73,144
Total resources expended	844,175	143,224	987,399
Net incoming resources before transfers	(123,157)	(53,044)	(176,201)
Gross transfers between funds	(12,311)	12,311	-
Net income for the year/ Net movement in funds	(135,468)	(40,733)	(176,201)
Fund balances at 1 September 2018	836,663	630,246	1,466,909
Fund balances at 31 August 2019	701,195	589,513	1,290,708

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

NEW COMMUNITY NETWORK

STATEMENTS OF FINANCIAL POSITION

AS AT 31 AUGUST 2020

	Notes	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
Fixed assets					
Property, plant and equipment	13	1,274,288	1,334,364	1,268,778	1,328,640
Investments	14	-	-	1,000	1,100
		<u>1,274,288</u>	<u>1,334,364</u>	<u>1,269,778</u>	<u>1,329,740</u>
Current assets					
Inventories		571	2,448	-	-
Trade and other receivables	15	59,208	65,606	41,540	65,732
Cash at bank and in hand		579,707	619,786	554,613	600,339
		<u>639,486</u>	<u>687,840</u>	<u>596,153</u>	<u>666,071</u>
Current liabilities	16	(110,745)	(126,845)	(63,484)	(102,172)
Net current assets		<u>528,741</u>	<u>560,995</u>	<u>532,669</u>	<u>563,899</u>
Total assets less current liabilities		<u>1,803,029</u>	<u>1,895,359</u>	<u>1,802,447</u>	<u>1,893,639</u>
Non-current liabilities	17	(623,160)	(652,931)	(573,160)	(602,931)
Net assets		<u><u>1,179,869</u></u>	<u><u>1,242,428</u></u>	<u><u>1,229,287</u></u>	<u><u>1,290,708</u></u>
Income funds					
Restricted funds	20	537,172	589,513	537,172	589,513
Unrestricted funds		642,697	652,915	692,115	701,195
		<u><u>1,179,869</u></u>	<u><u>1,242,428</u></u>	<u><u>1,229,287</u></u>	<u><u>1,290,708</u></u>

The financial statements were approved by the Trustees on 25/3/2021.



Mr W R Kennedy
Trustee

Company Registration No. 03578938

NEW COMMUNITY NETWORK

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	25		15,354		(106,616)
Investing activities					
Purchase of property, plant and equipment		(9,414)		(10,203)	
Purchase of investments		-		-	
Proceeds on disposal of property, plant and equipment		1,742		407	
Income from investments		1,463		1,703	
Net cash used in investing activities			(6,209)		(8,093)
Financing activities					
Proceeds of new loans		-		40,000	
Repayment of bank loans		(49,224)		(48,876)	
Net cash used in financing activities			(49,224)		(8,876)
Net (decrease)/increase in cash and cash equivalents			(40,079)		(123,585)
Cash and cash equivalents at beginning of year			619,786		743,371
Cash and cash equivalents at end of year			579,707		619,786

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Company information

New Community Network is a charitable company limited by guarantee incorporated in England and Wales. The registered office is Central Hall, St Mary Street, Southampton, Hants, SO14 1NF.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 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 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

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. The principal accounting policies adopted are set out below.

The group financial statements include the accounts of New Community Network (the charity) and its subsidiaries New Community Ventures Limited and New Community Enterprise Limited.

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 unless the funds have been designated for other purposes.

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 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.

Other trading income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

1.5 Expenditure

Liabilities are recognised when a constructive obligation exists, the payment is probable and the obligation can be measured or estimated reliably.

Resources expended are allocated to the particular cost centre to which they relate and include irrecoverable VAT.

Grants payable are charged in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, 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 basis:

Freehold land and buildings	50 years straight line
Plant and equipment	5 - 10 years straight line
Fixtures and fittings	5 - 10 years straight line
Computers	3 years straight line

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.

Items of equipment are capitalised where the purchase price exceeds £1,000.

1.7 Non-current investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of non-current 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).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.9 Inventories

Inventories are stated at lower of cost and estimated selling price less costs to sell.

1.10 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.

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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 trade and other receivables 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 trade and other payables 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.

Derecognition of financial liabilities

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

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Donations and gifts	607,123	86,715	693,838	723,929
Donations and gifts 2020				
Donations and gifts	462,999	76,797	539,796	
Legacies receivable	1,000	-	1,000	
Government furlough grant	21,870	-	21,870	
Gift aid	89,424	9,918	99,342	
Donated goods and services	31,830	-	31,830	
	607,123	86,715	693,838	
Donations and gifts 2019				
Donations and gifts	486,923	76,809		563,732
Gift aid tax relief	90,407	10,241		100,648
Donated goods and services	59,549	-		59,549
	636,879	87,050		723,929

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Charitable activities 2020

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Fee income	53,511	-	53,511	61,588
Honoraria	30	-	30	230
Training fees	28,148	-	28,148	12,377
Other income	4,071	-	4,071	429
	<u>85,760</u>	<u>-</u>	<u>85,760</u>	<u>74,624</u>

Charitable activities 2019

	Unrestricted funds £	Restricted funds £	Total 2019 £
Fee income	58,458	3,130	61,588
Honoraria	230	-	230
Training fees	12,377	-	12,377
Other income	429	-	429
	<u>71,494</u>	<u>3,130</u>	<u>74,624</u>

5 Other trading activities 2020

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Rental and hire charges	269,611	-	269,611	239,246
Trading activities	8,182	-	8,182	40,354
	<u>277,793</u>	<u>-</u>	<u>277,793</u>	<u>279,600</u>

Other trading activities 2019

	Unrestricted funds £	Restricted funds £	Total 2019 £
Rental and hire charges	239,246	-	239,246
Trading activities	40,354	-	40,354
	<u>279,600</u>	<u>-</u>	<u>279,600</u>

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Interest receivable	1,463	1,703

7 Raising funds 2020

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<u>Trading costs</u>				
Staff costs	189,819	-	189,819	223,141
Cost of trading subsidiaries	34,939	-	34,939	43,436
Building costs	46,514	-	46,514	97,610
Communications	8,482	-	8,482	6,169
Finance costs	2,140	-	2,140	3,985
Resource costs	18,847	-	18,847	8,200
Depreciation	1,903	-	1,903	2,041
Corporation tax payable/(receivable)	-	-	-	(4,332)
Support costs (see note 10)	121,724	-	121,724	185,289
	<u>424,368</u>	<u>-</u>	<u>424,368</u>	<u>565,539</u>

Raising funds 2019

	Unrestricted funds £	Restricted funds £	Total 2019 £
<u>Trading costs</u>			
Staff costs	223,141	-	223,141
Cost of trading subsidiaries	43,436	-	43,436
Building costs	97,610	-	97,610
Communications	5,599	570	6,169
Finance costs	3,985	-	3,985
Resource costs	8,200	-	8,200
Depreciation	2,041	-	2,041
Corporation tax payable/(receivable)	(4,332)	-	(4,332)
Support costs (see note 10)	185,289	-	185,289
	<u>564,969</u>	<u>570</u>	<u>565,539</u>

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities

	2020 £	2019 £
Staff costs	282,128	246,328
Counselling, events, courses and community work	120,900	121,186
	<u>403,028</u>	<u>367,514</u>
Grant funding of activities (see note 9)	97,417	103,619
Share of support costs (see note 10)	180,918	204,222
Share of governance costs (see note 10)	11,766	8,510
	<u>693,129</u>	<u>683,865</u>
Analysis by fund		
Unrestricted funds	583,200	541,211
Restricted funds	109,929	142,654
	<u>693,129</u>	<u>683,865</u>

9 Grants payable

	2020 £	2019 £
Grants to institutions:		
Missionary Maintenance Services	14,542	14,426
Pioneer Trust	14,250	14,000
Other grants below £10,000	57,970	64,074
	<u>86,762</u>	<u>92,500</u>
Grants to individuals	10,655	11,119
	<u>97,417</u>	<u>103,619</u>

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Support costs 2020

	Support costs £	Governance costs £	Total 2020 £	Total 2019 £
Staff costs	95,864	-	95,864	97,299
Depreciation	61,929	-	61,929	76,205
Counselling, events, courses and community work	24,528	-	24,528	31,112
Building costs	18,277	-	18,277	12,023
Finance costs	22,116	-	22,116	17,927
Insurance costs	15,699	-	15,699	15,398
Resource costs	58,556	-	58,556	115,251
Other costs	5,673	-	5,673	24,296
Audit fees	-	4,380	4,380	4,255
Accountancy	-	5,880	5,880	4,255
Legal and professional	-	1,506	1,506	-
	<u>302,642</u>	<u>11,766</u>	<u>314,408</u>	<u>398,021</u>
<u>Analysed between</u>				
Raising funds	121,724	-	121,724	
Charitable activities	180,918	11,766	192,684	
	<u>302,642</u>	<u>11,766</u>	<u>314,408</u>	

Support costs 2019

	Support costs £	Governance costs £	Total 2019 £
Staff costs	97,299	-	97,299
Depreciation	76,205	-	76,205
Counselling, events, courses and community work	31,112	-	31,112
Building costs	12,023	-	12,023
Finance costs	17,927	-	17,927
Insurance costs	15,398	-	15,398
Resource costs	115,251	-	115,251
Other costs	24,296	-	24,296
Audit fees	-	4,255	4,255
Accountancy	-	4,255	4,255
	<u>389,511</u>	<u>8,510</u>	<u>398,021</u>
<u>Analysed between</u>			
Raising funds	185,289	-	185,289
Charitable activities	204,222	8,510	212,732
	<u>389,511</u>	<u>8,510</u>	<u>398,021</u>

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11 Other

	2020 £	2019 £
Net loss on disposal of tangible fixed assets	3,916	124

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	44	46
	44	46

Employment costs

	2020 £	2019 £
Wages and salaries	520,199	524,308
Social security costs	32,365	27,214
Other pension and life insurance costs	15,247	15,246
	567,811	566,768

No employee earned more than £60,000 during the year (2019: none).

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

13 Property, plant and equipment

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 September 2019	2,058,159	161,624	80,480	11,777	2,312,040
Additions	-	4,329	3,719	1,366	9,414
Disposals	-	(12,875)	(4,290)	(383)	(17,548)
At 31 August 2020	2,058,159	153,078	79,909	12,760	2,303,906
Depreciation and impairment					
At 1 September 2019	768,752	149,514	52,825	6,585	977,676
Depreciation	41,163	9,357	10,281	3,031	63,832
Eliminated in respect of disposals	-	(9,648)	(1,859)	(383)	(11,890)
At 31 August 2020	809,915	149,223	61,247	9,233	1,029,618
Carrying amount					
At 31 August 2020	1,248,244	3,855	18,662	3,527	1,274,288
At 31 August 2019	1,289,407	12,110	27,655	5,192	1,334,364

14 Fixed asset investments - see note 24

Investments in subsidiaries	Group £	Charity £
Cost		
At 1 September 2019	-	1,100
Disposals	-	(100)
Carrying amount		
At 31 August 2020	-	1,000
At 31 August 2019	-	1,100

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Trade and other receivables

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Amounts owed by subsidiary undertakings	-	-	20,000	32,843
Trade receivables	36,584	29,324	1,980	6,257
Other receivables	16,244	31,543	16,056	24,051
Prepayments and accrued income	6,380	4,739	3,504	2,581
	<u>59,208</u>	<u>65,606</u>	<u>41,540</u>	<u>65,732</u>

16 Current liabilities

	Notes	Group		Charity	
		2020	2019	2020	2019
		£	£	£	£
Bank loans	18	28,891	27,861	28,891	27,861
Other borrowings		-	15,000	-	15,000
Other taxation and social security		13,475	14,038	11,415	7,628
Deferred income		36,592	36,098	-	323
Trade payables		13,222	20,809	6,144	9,627
Other creditors		3,543	2,354	-	-
Amounts due to subsidiary undertakings		-	-	4,343	34,773
Accruals and deferred income		15,022	10,685	12,691	6,960
		<u>110,745</u>	<u>126,845</u>	<u>63,484</u>	<u>102,172</u>

17 Non-current liabilities

	Notes	Group		Charity	
		2020	2019	2020	2019
		£	£	£	£
Other borrowings		50,000	50,000	-	-
Bank loans	18	573,160	602,931	573,160	602,931
		<u>623,160</u>	<u>652,931</u>	<u>573,160</u>	<u>602,931</u>

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Borrowings

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Bank loans	602,051	630,792	602,051	630,792
Other borrowings	50,000	65,000	-	15,000
	<u>652,051</u>	<u>695,792</u>	<u>602,051</u>	<u>645,792</u>
Payable within one year	28,891	42,861	28,891	42,861
Payable after one year	623,160	652,931	573,160	602,931
	<u>652,051</u>	<u>695,792</u>	<u>602,051</u>	<u>645,792</u>
Amounts included above which falls after five years:				
Payable by instalments	<u>497,910</u>	<u>513,334</u>	<u>447,910</u>	<u>481,344</u>

The mortgage is secured on the property at Central Hall, St Mary Street, Southampton, SO14 1NF.

19 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 £15,247 (2019- £15,246)

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 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 1 September 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2020 £
Advance Christianity:					
Central hall fund	1,415	1,162	(1,461)	-	1,116
Hope School	-	-	(762)	762	-
Sholing baby bank	121	402	(523)	-	-
Missionary maintenance services	5,629	11,940	(14,544)	-	3,025
SO14	114,207	3,750	(28,322)	(7,455)	82,180
School of Ministries	7,554	29,443	(23,594)	-	13,403
Relief:					
Rest and recoup fund	430,452	-	(7,774)	(22,434)	400,244
Minor restricted funds	-	679	-	-	679
Kibera development	3,372	16,469	(16,783)	-	3,058
Kibera feeding programme	5,262	5,389	(4,384)	-	6,267
Jeevan Asha	15,436	11,101	(8,000)	-	18,537
Hardship fund	6,065	6,330	(3,782)	-	8,613
Special Guardians	-	50	-	-	50
	<u>589,513</u>	<u>86,715</u>	<u>(109,929)</u>	<u>(29,127)</u>	<u>537,172</u>

Advance Christianity

Central Hall Fund - To fund ongoing renovation works to Central Hall.

Sholing Baby Bank - Collection for baby bank goods.

Missionary Maintenance Services - Support for D & D Coates USA.

SO14 - To fund mission in Central Southampton.

School of Ministries - Leadership development.

Relief Work

Rest and recoup Fund - To provide a place for rest, recovery and relief.

Kibera Development - Funding a school build and missionary work in Kibera.

Kibera Feeding Programme - Supporting a health and feeding programme in Kibera.

Kibera Pastoral Team - To fund church leader pastoral visits to Kibera.

Jeevan Asha - Providing pre-school education for children in Mumbai, India.

Hardship fund - Local relief work.

Special Guardians - supports grandparents who are primarily carers for their grandchildren.

Transfers represent the reallocation of income and expenditure between funds.

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Restricted funds 2019

	Movement in funds			
	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Balance at 31 August 2019 £
Advance Christianity:				
Central hall fund	-	1,415	-	1,415
Sholing baby bank	48	930	(857)	121
Missionary maintenance service	8,685	11,373	(14,429)	5,629
SO14	162,483	2,200	(49,183)	114,207
School of Ministries	2,845	36,818	(40,713)	7,554
Relief:				
Rest and recoup fund	430,453	-	-	430,453
Kibera development	4,786	15,156	(19,971)	3,231
Kibera feeding programme	5,098	5,445	(5,021)	5,262
Kibera pastoral team	304	-	(2,164)	140
Jeevan Asha	11,670	11,788	(8,022)	15,436
Hardship fund	3,874	5,055	(2,864)	6,065
	<u>630,246</u>	<u>90,180</u>	<u>(143,224)</u>	<u>589,513</u>

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 August 2020 are represented by:			
Property, plant and equipment	1,274,288	-	1,274,288
Current assets/(liabilities)	(8,431)	537,172	528,741
Long term liabilities	(623,160)	-	(623,160)
	<u>642,697</u>	<u>537,172</u>	<u>1,179,869</u>
	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 August 2019 are represented by:			
Property, plant and equipment	1,334,364	-	1,334,364
Current assets/(liabilities)	(28,518)	589,513	560,995
Long term liabilities	(652,931)	-	(652,931)
	<u>652,915</u>	<u>589,513</u>	<u>1,242,428</u>

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

2020	2019
£	£
131,273	128,266

Billy Kennedy is a trustee of New Community Network and is also a paid employee (Chief Executive). He was paid a salary and pension contributions of £38,588 during the year ended 31 August 2020 (2019: £31,269). Billy Kennedy's wife, Caroline Kennedy, was also employed by the charity and received a salary of £7,821 during the year ended 31 August 2020 (2019: £7,705).

Billy Kennedy is a trustee of Pioneer Trust. During the year ended 31 August 2020, New Community Network made sales to Pioneer Trust of £7,025 (2019: £6,795). New Community Network also paid grants amounting to £13,950 (2019: £14,000) to Pioneer Trust during the year.

Shelly-Ann Frame is a trustee of New Community Network and a director of Etch UK. During the year ended 31 August 2020 New Community Network purchased £5,844 (2019: £1,044) of services from Etch UK. At 31 August 2020, Etch UK owed New Community Network £Nil (2019: £504). Etch also provided pro bono support to New Community Network during the year valued at £31,830 (2019: £59,549).

The trustees and their close family or associated companies have donated an aggregate sum of £52,401 (2019: £56,808) to the charity.

Shelly Frame, director of New Community Ventures Ltd, is a director of Etch (UK) Ltd. New Community Ventures Ltd made sales of £Nil (2019: £672) to Etch Ltd, and purchased £14,569 (2019: £17,863) of services from Etch (UK) Ltd, of which £702 (2019: £Nil) was outstanding at the year end. Etch (UK) Ltd has made a long term, interest free loan to New Community Ventures Ltd. The balance outstanding on the loan at the year end date was £50,000 (2019: £50,000).

During the year the company made purchases from Big Radical Ltd, of which Shelly Frame is a director, of £Nil (2019: £600). At the year end date the balance outstanding due to Big Radical Ltd was £Nil (2019: £300).

Transactions with group companies

New Community Enterprise Limited invoiced New Community Network for catering supplied and internal recharges for £11,339 in the year.

New Community Network owed New Community Ventures Limited £24,343 (2019: £34,773) at 31 August 2020. New Community Ventures Limited invoiced New Community Network for services supplied and internal recharges for £56,379 in the year.

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Subsidiary undertakings

New Community Enterprise Limited (NCE) (no. 06458693) is was a wholly owned trading subsidiary of New Community Network. NCE ceased trading at 31 March 2020.

	2020 £	2019 £
Gross income	11,339	133,023
Expenditure	(10,539)	(58,304)
Surplus	800	74,719
Total assets	-	5,586
Total liabilities	-	(6,386)
Equity	-	(800)

New Community Ventures Limited (no. 10586696) is a wholly owned trading subsidiary of New Community Network. It runs Central Hall as an events venue. Below is a summary of its financial results and position.

	2020 £	2019 £
Gross income	336,180	347,375
Expenditure	(338,213)	(415,966)
Deficit	(2,033)	(68,591)
Total assets	73,185	76,674
Total liabilities	(121,604)	(123,060)
Equity	(48,419)	(46,386)

NEW COMMUNITY NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

25 Cash generated from operations

	2020 £	2019 £
Deficit for the year	(62,559)	(169,672)
Adjustments for:		
Investment income recognised in statement of financial activities	(1,463)	(1,703)
Interest payable	20,483	18,374
Loss on disposal of property, plant and equipment	3,916	124
Depreciation and impairment of property, plant and equipment	63,832	78,247
Movements in working capital:		
Decrease/(Increase) in inventories	1,877	(1,844)
Decrease/(Increase) in trade and other receivables	6,398	(9,975)
(Decrease)/Increase in trade and other payables	(17,130)	(20,167)
Cash generated from operations	15,354	(106,616)

26 Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	619,786	(40,079)	579,707
Loans falling due within one year	(42,861)	13,970	(28,891)
Loans falling due after more than one year	(652,931)	29,771	(623,160)
	<u>(76,006)</u>	<u>3,662</u>	<u>(72,344)</u>