

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 2021**



# NEW COMMUNITY NETWORK

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr W R Kennedy Mrs S M Frame Mr C N D Romilly Mr A Sheen Mrs K Swift Mr J Cathie	(Appointed 23 September 2020). (Appointed 25 March 2021) (Appointed 25 March 2021)
<b>Charity number</b>	1072645	
<b>Company number</b>	03578938	
<b>Principal address</b>	Central Hall St Mary Street Southampton Hants SO14 1NF	
<b>Registered office</b>	Central Hall St Mary Street Southampton Hants SO14 1NF	
<b>Auditor</b>	Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF	
<b>Bankers</b>	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	
<b>Solicitors</b>	Blake Morgan New Kings Court Tollgate Chandler's Ford Eastleigh SO53 3LG	

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# NEW COMMUNITY NETWORK

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# **NEW COMMUNITY NETWORK**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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

The financial statements have been prepared in accordance with the accounting policies set out in note 2 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 £96,779 (2020: £97,417) and were made up of £13,088 of grants to individuals (2020: £10,655) and £83,691 of grants to institutions (2020: £86,762). An analysis of institutional grants made above £10,000 is provided in note 9 in the accounts.

#### **Achievements and performance**

##### **Advance the Christian faith**

2020/21 continued to be a challenging as we adjusted to working in a new environment due to the coronavirus pandemic and associated restrictions. New Community Church's main expressions of church continued online throughout the year 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, Zoom prayer meetings and learning opportunities for those who want to study in more depth.

We have been unable to use Central Hall for the majority of the year for our normal programme of gatherings, conferences and events.

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. Although we have been unable to travel this year we have successfully translated most of the training modules into French and have been able to video record [in English] nearly all the modules for use overseas. This has resulted in a multiplication of schools, especially in a number of African nations.

# **NEW COMMUNITY NETWORK**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2021**

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### **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 the new site was secured and plans are underway to design, plan and build with an opening date of September 2024.

This year we increased from 120 to 160 children. As a church we have an agreement to provide governance, chaplaincy, volunteers and wrap-around services.

The profile and reputation of our Central Counselling and Training Service [CCTS] continued to grow with our training courses and counselling services receiving consistently positive feedback. All of our training services and counselling continued online throughout the year to comply with lockdown restrictions.

### **Promote Creative Arts**

We have provided a supportive environment for artists, singers, and musicians. Pre-pandemic, local orchestras, bands, and choirs regularly used Central Hall as a performance venue. However, this year has been particularly challenging with only a few events hosted when restrictions allowed.

Our trading subsidiary, New Community Ventures, has begun to see a growing momentum of bookings for 2021/22.

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

Our 'community hub' at Central Hall which provides an umbrella for the various caring initiatives that we operate has continued to function throughout the year. We have been limited in our ability to meet face to face but when restrictions have allowed we have been able to host a variety of groups - Bake Club, Creative English classes, Special Guardians group for grandparents caring for their grandchildren as well as a new initiative, Kintsugi well-being groups. 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 educational and practical 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 also been able to provide local community members with food through a weekly Fair Share operation.

We have continued to support the work of the Umoja group 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 have been able to sponsor individual children, orphanages and other relief projects in Kenya and India.

# NEW COMMUNITY NETWORK

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 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 £595,907 (2020 - £693,838). Unrestricted voluntary income, which includes donations and related tax recovered, was £525,852 (2020 - £607,123) and restricted voluntary income £70,055 (2020 - £86,715).

The Consolidated Statement of Financial Activities reports an overall surplus of £154,678 (2020 - Deficit £62,559) for the year. However, this includes a depreciation charge, which is a non-cash item, of £53,633 (2020 - £63,832).

Capital expenditure in the year was £7,996 (2020: £9,414).

The balance outstanding on our bank loan as at the end of the financial year was £571,585 (2020 - £602,051).

New Community Ventures Ltd (NCV) made a profit of £53,054 (2020 - Loss £2,033).

Total funds held as at 31 August 2021 were £1,334,547 (2020: £1,179,869), of which £390,478 (2020: £537,172) were restricted, and £944,069 (2020: £642,697) 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 2021 were £257,097 (2020: deficit £8,431).

### 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**

We have benefited significantly from the use of Central Hall by Hope Community School over the past 5 years. The school has now purchased a site on which to build a new school facility. This will mean that the current licence agreement will come to an end in August 2024.

We are now exploring a number of options for the future use of Central Hall recognising the impact that the loss of rental income from the school will have on the organisation.

The Trustees have commissioned a report to explore the following options:

1. Sell the building and purchase/lease/build a new facility.
2. Refocus our efforts to make the building an events venue with income to cover the anticipated shortfall.
3. Look at a more creative remodelling of the building with mixed use that will create an income.

# NEW COMMUNITY NETWORK

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 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	(Resigned 25 March 2021)
Mrs S M Frame	
Mr C N D Romilly	
Mrs T N Ugo	(Resigned 25 March 2021)
Mr A Sheen	(Appointed 23 September 2020)
Mrs K Swift	(Appointed 25 March 2021)
Mr J Cathie	(Appointed 25 March 2021)

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 2021

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#### 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**

In accordance with the company's articles, a resolution proposing that Caladine Limited be reappointed as auditor of the company will be put at a General Meeting.

#### **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.



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Mr W R Kennedy  
Trustee

Dated: 16/02/2022



# **NEW COMMUNITY NETWORK**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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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 TRUSTEES OF NEW COMMUNITY NETWORK

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#### 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 2021 which comprise the group and 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 group's and of the parent charitable company's affairs as at 31 August 2021 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 and parent charitable company 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, except to the extent otherwise explicitly stated in our report, 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.

# NEW COMMUNITY NETWORK

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF NEW COMMUNITY NETWORK

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#### **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.

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

In the light of the knowledge and understanding of the group and the parent charitable company 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# NEW COMMUNITY NETWORK

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

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### **The extent to which the audit was considered capable of detecting irregularities including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company, including the Companies Act 2006, Charities Act 2011, employment legislation, health and safety, and Anti-Money Laundering laws;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

### **Audit response to risks identified**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

## NEW COMMUNITY NETWORK

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF NEW COMMUNITY NETWORK

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This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

01/03/2022

**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 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	525,852	70,055	595,907	693,838
Charitable activities	4	70,351	-	70,351	85,760
Other trading activities	5	482,106	-	482,106	277,793
Investments	6	148	-	148	1,463
<b>Total income</b>		<b>1,078,457</b>	<b>70,055</b>	<b>1,148,512</b>	<b>1,058,854</b>
<b><u>Expenditure on:</u></b>					
Raising funds	7	335,091	-	335,091	424,368
Charitable activities	8	448,279	210,464	658,743	693,129
Other	11	-	-	-	3,916
<b>Total resources expended</b>		<b>783,370</b>	<b>210,464</b>	<b>993,834</b>	<b>1,121,413</b>
<b>Net incoming resources before transfers</b>		<b>295,087</b>	<b>(140,409)</b>	<b>154,678</b>	<b>(62,559)</b>
Gross transfers between funds	20	6,285	(6,285)	-	-
<b>Net income/(expenditure) for the year/Net movement in funds</b>		<b>301,372</b>	<b>(146,694)</b>	<b>154,678</b>	<b>(62,559)</b>
Fund balances at 1 September 2020		642,697	537,172	1,179,869	1,242,428
<b>Fund balances at 31 August 2021</b>		<b>944,069</b>	<b>390,478</b>	<b>1,334,547</b>	<b>1,179,869</b>

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 2020

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

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 2021**

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b><u>Income and endowments from:</u></b>				
Donations and legacies	735,387	70,055	805,442	670,955
Charitable activities	75,631	-	75,631	92,060
Other trading activities	5,757	-	5,757	2,482
Investments	148	-	148	1,441
<b>Total income</b>	<b>816,923</b>	<b>70,055</b>	<b>886,978</b>	<b>766,938</b>
<b><u>Expenditure on:</u></b>				
Raising funds	2,138	-	2,138	2,859
Charitable activities	572,752	210,464	783,216	816,838
Other	-	-	-	8,662
<b>Total resources expended</b>	<b>574,890</b>	<b>210,464</b>	<b>785,354</b>	<b>828,359</b>
<b>Net incoming resources before transfers</b>	<b>242,033</b>	<b>(140,409)</b>	<b>101,624</b>	<b>(61,421)</b>
Gross transfers between funds	6,285	(6,285)	-	-
<b>Net income for the year/ Net movement in funds</b>	<b>248,318</b>	<b>(146,694)</b>	<b>101,624</b>	<b>(61,421)</b>
Fund balances at 1 September 2020	692,115	537,172	1,229,287	1,290,708
<b>Fund balances at 31 August 2021</b>	<b>940,433</b>	<b>390,478</b>	<b>1,330,911</b>	<b>1,229,287</b>

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

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 2021

		Group		Charity	
	Notes	2021 £	2020 £	2021 £	2020 £
<b>Fixed assets</b>					
Property, plant and equipment	13	1,228,651	1,274,288	1,225,012	1,268,778
Investments	14	-	-	1,000	1,000
		<u>1,228,651</u>	<u>1,274,288</u>	<u>1,226,012</u>	<u>1,269,778</u>
<b>Current assets</b>					
Inventories		5,350	571	-	-
Trade and other receivables	15	70,980	59,208	135,861	41,540
Cash at bank and in hand		681,756	579,707	570,729	554,613
		<u>758,086</u>	<u>639,486</u>	<u>706,590</u>	<u>596,153</u>
<b>Current liabilities</b>	16	(110,511)	(110,745)	(60,012)	(63,484)
Net current assets		647,575	528,741	646,578	532,669
<b>Total assets less current liabilities</b>		1,876,226	1,803,029	1,872,590	1,802,447
<b>Non-current liabilities</b>	17	(541,679)	(623,160)	(541,679)	(573,160)
<b>Net assets</b>		<u>1,334,547</u>	<u>1,179,869</u>	<u>1,330,911</u>	<u>1,229,287</u>
<b>Income funds</b>					
Restricted funds	20	390,478	537,172	390,478	537,172
Unrestricted funds		944,069	642,697	940,433	692,115
		<u>1,334,547</u>	<u>1,179,869</u>	<u>1,330,911</u>	<u>1,229,287</u>

The financial statements were approved by the Trustees on 16/02/2022



Mr W R Kennedy  
Trustee

Company Registration No. 03578938

# NEW COMMUNITY NETWORK

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	207,068		15,354	
<b>Investing activities</b>					
Purchase of property, plant and equipment		(7,996)		(9,414)	
Proceeds on disposal of property, plant and equipment		-		1,742	
Income from investments		148		1,463	
<b>Net cash used in investing activities</b>			(7,848)		(6,209)
<b>Financing activities</b>					
Repayment of other borrowings		(50,000)		-	
Repayment of bank loans		(47,171)		(49,224)	
<b>Net cash used in financing activities</b>			(97,171)		(49,224)
<b>Net (decrease)/increase in cash and cash equivalents</b>			102,049		(40,079)
Cash and cash equivalents at beginning of year		579,707		619,786	
<b>Cash and cash equivalents at end of year</b>		681,756		579,707	

# NEW COMMUNITY NETWORK

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **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 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 2021

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#### **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 2021

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#### **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

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 2021

#### 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 2021	Total 2020
	£	£	£	£
Donations and gifts	525,852	70,055	595,907	693,838
	<u>525,852</u>	<u>70,055</u>	<u>595,907</u>	
<b>Donations and gifts 2021</b>				
Donations and gifts	416,132	63,610	479,742	
Legacies receivable	120	-	120	
Government furlough grant	24,960	-	24,960	
Gift aid	84,640	6,445	91,085	
	<u>525,852</u>	<u>70,055</u>	<u>595,907</u>	
<b>Donations and gifts 2020</b>				
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
	<u>607,123</u>	<u>86,715</u>		<u>693,838</u>

# NEW COMMUNITY NETWORK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 4 Charitable activities 2021

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Fee income	40,568	-	40,568	53,511
Honoraria	-	-	-	30
Training fees	23,308	-	23,308	28,148
Other income	6,475	-	6,475	4,071
	<u>70,351</u>	<u>-</u>	<u>70,351</u>	<u>85,760</u>

### Charitable activities 2020

	Unrestricted funds £	Restricted funds £	Total 2020 £
Fee income	53,511	-	53,511
Honoraria	30	-	30
Training fees	28,148	-	28,148
Other income	4,071	-	4,071
	<u>85,760</u>	<u>-</u>	<u>85,760</u>

### 5 Other trading activities 2021

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Rental and hire charges	477,549	-	477,549	269,611
Trading activities	4,557	-	4,557	8,182
	<u>482,106</u>	<u>-</u>	<u>482,106</u>	<u>277,793</u>

### Other trading activities 2020

	Unrestricted funds £	Restricted funds £	Total 2020 £
Rental and hire charges	269,611	-	269,611
Trading activities	8,182	-	8,182
	<u>277,793</u>	<u>-</u>	<u>277,793</u>



# NEW COMMUNITY NETWORK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 6 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Interest receivable	148	1,463

### 7 Raising funds 2021

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<u>Trading costs</u>				
Staff costs	133,291	-	133,291	189,819
Cost of trading subsidiaries	3,376	-	3,376	34,939
Building costs	60,239	-	60,239	46,514
Communications	3,479	-	3,479	8,482
Finance costs	391	-	391	2,140
Resource costs	46,435	-	46,435	18,847
Depreciation	1,870	-	1,870	1,903
Support costs (see note 10)	86,010	-	86,010	121,724
	<u>335,091</u>	<u>-</u>	<u>335,091</u>	<u>424,368</u>

### Raising funds 2020

	Unrestricted funds £	Restricted funds £	Total 2020 £
<u>Trading costs</u>			
Staff costs	189,819	-	189,819
Cost of trading subsidiaries	34,939	-	34,939
Building costs	46,514	-	46,514
Communications	8,482	-	8,482
Finance costs	2,140	-	2,140
Resource costs	18,847	-	18,847
Depreciation	1,903	-	1,903
Support costs (see note 10)	121,724	-	121,724
	<u>424,368</u>	<u>-</u>	<u>424,368</u>

# NEW COMMUNITY NETWORK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 8 Charitable activities

	2021 £	2020 £
Staff costs	268,951	282,128
Counselling, events, courses and community work	98,181	120,900
	<u>367,132</u>	<u>403,028</u>
Grant funding of activities (see note 9)	96,779	97,417
Share of support costs (see note 10)	174,779	180,918
Share of governance costs (see note 10)	20,053	11,766
	<u>658,743</u>	<u>693,129</u>
<b>Analysis by fund</b>		
Unrestricted funds	448,279	583,200
Restricted funds	210,464	109,929
	<u>658,743</u>	<u>693,129</u>

### 9 Grants payable

	2021 £	2020 £
Grants to institutions:		
Umoja	11,658	10,179
Missionary Maintenance Services	-	14,542
Pioneer Trust	14,200	14,250
Other grants below £10,000	57,833	47,791
	<u>83,691</u>	<u>86,762</u>
Grants to individuals	13,088	10,655
	<u>96,779</u>	<u>97,417</u>

# NEW COMMUNITY NETWORK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 10 Support costs 2021

	Support costs £	Governance costs £	Total 2021 £	Total 2020 £
Staff costs	137,059	-	137,059	95,864
Depreciation	51,762	-	51,762	61,929
Counselling, events, courses and community work	25,559	-	25,559	24,528
Building costs	-	-	-	18,277
Finance costs	18,965	-	18,965	22,116
Insurance costs	17,491	-	17,491	15,699
Resource costs	5,492	-	5,492	58,556
Other costs	4,461	-	4,461	5,673
Audit fees	-	4,680	4,680	4,380
Accountancy	-	5,880	5,880	5,880
Legal and professional	-	9,493	9,493	1,506
	<u>260,789</u>	<u>20,053</u>	<u>280,842</u>	<u>314,408</u>

#### Analysed between

Raising funds	86,010	-	86,010
Charitable activities	174,779	20,053	194,832
	<u>260,789</u>	<u>20,053</u>	<u>280,842</u>

### Support costs 2020

	Support costs £	Governance costs £	Total 2020 £
Staff costs	95,864	-	95,864
Depreciation	61,929	-	61,929
Counselling, events, courses and community work	24,528	-	24,528
Building costs	18,277	-	18,277
Finance costs	22,116	-	22,116
Insurance costs	15,699	-	15,699
Resource costs	58,556	-	58,556
Other costs	5,673	-	5,673
Audit fees	-	4,380	4,380
Accountancy	-	5,880	5,880
Legal and professional	-	1,506	1,506
	<u>302,642</u>	<u>11,766</u>	<u>314,408</u>

#### Analysed between

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>

# NEW COMMUNITY NETWORK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 11 Other

	2021 £	2020 £
Net loss on disposal of tangible fixed assets	-	3,916

### 12 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	34	36
	34	36

#### Employment costs

	2021 £	2020 £
Wages and salaries	495,085	520,199
Social security costs	28,826	32,365
Other pension and life insurance costs	15,450	15,247
	539,361	567,811

No employee earned more than £60,000 during the year (2020: none).

# NEW COMMUNITY NETWORK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 13 Property, plant and equipment

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>					
At 1 September 2020	2,058,159	153,078	79,909	12,760	2,303,906
Additions	-	6,233	-	1,763	7,996
Disposals	-	-	-	(1,588)	(1,588)
At 31 August 2021	2,058,159	159,311	79,909	12,935	2,310,314
<b>Depreciation and impairment</b>					
At 1 September 2020	809,916	149,223	61,247	9,232	1,029,618
Depreciation	41,163	1,379	8,247	2,844	53,633
Eliminated in respect of disposals	-	-	-	(1,588)	(1,588)
At 31 August 2021	851,079	150,602	69,494	10,488	1,081,663
<b>Carrying amount</b>					
At 31 August 2021	1,207,080	8,709	10,415	2,447	1,228,651
At 31 August 2020	1,248,243	3,855	18,662	3,528	1,274,288

### 14 Fixed asset investments - see note 24

Investments in subsidiaries	Group £	Charity £
<b>Cost</b>		
At 1 September 2020 & 31 August 2021	-	1,000
<b>Carrying amount</b>		
At 31 August 2021	-	1,000
At 31 August 2020	-	1,000

# NEW COMMUNITY NETWORK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 15 Trade and other receivables

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Amounts owed by subsidiary undertakings	-	-	122,709	20,000
Trade receivables	49,799	36,584	2,104	1,980
Other receivables	7,590	16,244	7,590	16,056
Prepayments and accrued income	13,591	6,380	3,458	3,504
	<u>70,980</u>	<u>59,208</u>	<u>135,861</u>	<u>41,540</u>

### 16 Current liabilities

	Notes	Group		Charity	
		2021	2020	2021	2020
		£	£	£	£
Bank loans	18	29,906	28,891	29,906	28,891
Other taxation and social security		16,870	13,475	11,462	11,415
Deferred income		33,780	36,592	-	-
Trade payables		16,414	13,222	6,372	6,144
Other creditors		-	3,543	-	-
Amounts due to subsidiary undertakings		-	-	-	4,343
Accruals and deferred income		13,541	15,022	12,272	12,691
		<u>110,511</u>	<u>110,745</u>	<u>60,012</u>	<u>63,484</u>

### 17 Non-current liabilities

	Notes	Group		Charity	
		2021	2020	2021	2020
		£	£	£	£
Other borrowings		-	50,000	-	-
Bank loans	18	541,679	573,160	541,679	573,160
		<u>541,679</u>	<u>623,160</u>	<u>541,679</u>	<u>573,160</u>

# NEW COMMUNITY NETWORK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Borrowings

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	571,585	602,051	571,585	602,051
Other borrowings	-	50,000	-	-
	<u>571,585</u>	<u>652,051</u>	<u>571,585</u>	<u>602,051</u>
	<u><u>571,585</u></u>	<u><u>652,051</u></u>	<u><u>571,585</u></u>	<u><u>602,051</u></u>
Payable within one year	29,906	28,891	29,906	28,891
Payable after one year	541,679	623,160	541,679	573,160
	<u>571,585</u>	<u>652,051</u>	<u>571,585</u>	<u>602,051</u>
	<u><u>571,585</u></u>	<u><u>652,051</u></u>	<u><u>571,585</u></u>	<u><u>602,051</u></u>
Amounts included above which falls after five years:				
Payable by instalments	413,752	497,910	413,572	447,910
	<u>413,752</u>	<u>497,910</u>	<u>413,572</u>	<u>447,910</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 £15,450 (2020- £15,247)

# NEW COMMUNITY NETWORK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 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 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2021 £
Relief International:					
Jeevan Asha	18,537	10,070	(8,045)	-	20,562
Kibera development	3,058	7,923	(15,355)	14,571	10,197
Kibera feeding programme	6,267	7,894	(5,590)	(8,571)	-
Missionary maintenance services	3,025	12,480	(6,006)	-	9,499
School of ministry	13,403	29,025	(40,335)	8,557	10,650
Relief local:					
Central hall fund	1,116	681	-	-	1,797
Hardship fund	8,613	1,045	(4,887)	(735)	4,036
Rest and recoup fund	400,244	-	(105,377)	(10,008)	284,859
SO14	82,180	-	(24,769)	(10,099)	47,312
Special Guardians	50	787	(100)	-	737
Minor restricted funds	679	150	-	-	829
	<u>537,172</u>	<u>70,055</u>	<u>(210,464)</u>	<u>(6,285)</u>	<u>390,478</u>

#### Relief International

Jeevan Asha - Indian orphanage.

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.

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

School of Ministry - Leadership development.

#### Relief local

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

Hardship fund - Local relief work.

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

SO14 - To fund mission in Central Southampton.

Special Guardians - Support 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 2021

### 20 Restricted funds 2020

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

# NEW COMMUNITY NETWORK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 21 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 August 2021 are represented by:			
Property, plant and equipment	1,228,651	-	1,228,651
Current assets/(liabilities)	257,097	390,478	647,575
Long term liabilities	(541,679)	-	(541,679)
	<u>944,069</u>	<u>390,478</u>	<u>1,334,547</u>
	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>

# NEW COMMUNITY NETWORK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 23 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

2021	2020
£	£
137,071	131,273

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 £43,887 during the year ended 31 August 2021 (2020: £38,588). Billy Kennedy's wife, Caroline Kennedy, was also employed by the charity and received a salary and pension contributions of £6,778 during the year ended 31 August 2021 (2020: £7,821).

Billy Kennedy is a trustee of Pioneer Trust. During the year ended 31 August 2021, New Community Network made sales to Pioneer Trust of £1,555 (2020: £7,025), and made purchases of £1,135 (2020: £Nil) New Community Network also paid grants amounting to £14,200 (2020: £14,250) 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 2021 New Community Network purchased £84 (2020: £5,844) of services from Etch UK. Etch also provided pro bono support to New Community Network during the year valued at £nil (2020: £31,830).

The trustees and their close family or associated companies have donated an aggregate sum of £43,145 (2020: £52,401) to the charity.

##### Transactions with group companies

New Community Network was owed £122,709 from New Community Ventures Limited at 31 August 2021. New Community Ventures Limited invoiced New Community Network for services supplied and internal recharges for £56,557 in the year.

# NEW COMMUNITY NETWORK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 24 Subsidiary undertakings

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

	2021 £	2020 £
Gross income	-	11,339
Expenditure	-	(10,539)
<b>Surplus</b>	<b>-</b>	<b>800</b>
Total assets	-	-
Total liabilities	-	-
<b>Equity</b>	<b>-</b>	<b>-</b>

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.

	2021 £	2020 £
Gross income	542,862	336,180
Expenditure	(271,576)	(338,213)
<b>Surplus/(Deficit)</b>	<b>271,286</b>	<b>(2,033)</b>
Distributions to parent charity under gift aid	(218,232)	-
<b>Surplus after distributions</b>	<b>53,054</b>	<b>(2,033)</b>
Total assets	177,843	73,185
Total liabilities	(173,208)	(121,604)
<b>Equity</b>	<b>4,635</b>	<b>(48,419)</b>

# NEW COMMUNITY NETWORK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 25 Cash generated from operations

	2021 £	2020 £
Profit/(Deficit) for the year	154,678	(62,559)
Adjustments for:		
Investment income recognised in statement of financial activities	(148)	(1,463)
Interest payable	16,705	20,483
Loss on disposal of property, plant and equipment	-	3,916
Depreciation and impairment of property, plant and equipment	53,633	63,832
Movements in working capital:		
Decrease/(Increase) in inventories	(4,779)	1,877
Decrease/(Increase) in trade and other receivables	(11,772)	6,398
(Decrease)/Increase in trade and other payables	(1,249)	(17,130)
<b>Cash generated from operations</b>	<b>207,068</b>	<b>15,354</b>

#### 26 Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	579,707	102,049	681,756
Loans falling due within one year	(28,891)	(1,015)	(29,906)
Loans falling due after more than one year	(623,160)	81,481	(541,679)
	<b>(72,344)</b>	<b>182,515</b>	<b>110,171</b>