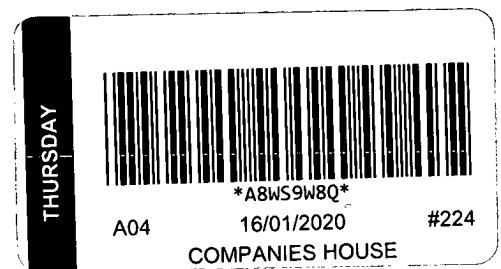


CHARITY REGISTRATION NUMBER 1102542

COMPANY REGISTRATION NUMBER 4489582

HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



**HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	D A Gilpin C Davies A Ibbotson E Muthiah L Davies L Willis	(Appointed 4 December 2018) (Appointed 19 April 2019) (Appointed 11 November 2019) (Appointed 9 December 2019)
Secretary	S Smith	
Charity number	1102542	
Company number	4489582	
Registered office	The Megacentre Bernard Road Sheffield South Yorkshire S2 5BQ	
Independent examiner	R J Givans BA FCA UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield S8 0XF	
Bankers	Barclays Bank plc P.O. Box 1385 2 Arena Court Sheffield S9 2WV	
Solicitors	Gcldards Number One Pride Place Pride Park Derby DE24 8QR	

**HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
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**HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2019**

The trustees present their report and accounts for the year ended 31 March 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts 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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charity's objects are:

- The advancement of education of children under statutory school age by provision of a nursery school;
- Relief of poverty and sickness;
- To provide facilities for recreation or other leisure time occupation with the object of improving the conditions of life; and
- Other such charitable purposes as the trustees think fit.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The principal activity of the charity is the provision of nursery education and care for children in the early years.

Achievements and performance

Since it was established as a community nursery, Hope City Foundation has strived to provide quality, affordable and accessible childcare in line with our community and childcare objectives. The nursery is located on the fringe of the city centre and is sandwiched between two of the most disadvantaged communities in Sheffield. Many of the parents and children taking advantage of our nursery provision are from these communities and have been able to take advantage of paid for and funded provision. The nursery is not only committed to providing quality childcare but also working in partnership with statutory agencies to support children and their families.

Whilst the financial performance of Hope City Foundation has fallen in the financial year ending March 2019 the nursery has continued to operate effectively and has been successful in gaining a 'Good' Ofsted rating as a result of an inspection conducted in March 2019. Comments from Ofsted include the following:

"Children learn in a bright and motivating environment. Staff plan interesting and imaginative activities to engage children and promote their curiosity"

"Staff establish good relationships with parents. They keep them well informed about their children's progress. Parents appreciate the warm and welcoming environment the staff provide. The nursery forms strong links with the other settings children attend".

**HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2019**

Hope City Foundation has operated with 1 Nursery Early Years Manager, 1 Operations and Development Manager and 1 Early Years Deputy Manager. The current staff team consists of 12 qualified nursery leaders (including managers) and 4 unqualified staff comprising an Administrator, Part-Time Cook and Early Years Assistants. Staff retention remains consistent and in line with industry standards.

Parental engagement is high with a number of events taking place over the course of the year involving parents. Parental feedback demonstrates very good satisfaction and continues to improve. The nursery as a team have worked intentionally to build exceptional working relationships and build strong working partnerships with the Sheffield City Council Childcare Provision Planning Team. As a result the nursery has hosted numerous city and locality wide early years events this year, including Startwell course. The nursery has obtained the Sheffield Healthy Early Years Status, Director of Public Health Award (HEY) as a setting.

As a setting nursery has engaged in the newly funded national L3 3 SEND Cache Award, being one of the first in Sheffield to have an up-to-date newly qualified SEND Coordinator, and host regular MAST EHC (Multi-Agency Support Teams Education Health & Care) meetings with families and cross sector professionals.

Financial management and more specifically credit control has improved, and payments are being received largely on time and a manageable amount of fee chasing is needed.

Occupancy rates have gradually increased over the course of the year, due in main to the continuation of government funded places for 2 year olds as well as 3 and 4 year olds for nurseries supported by continued staff development. Word of mouth continues to spread across the community and city resulting in steady growth in all rooms and continued natural progression.

There has been on-going training with staff members, including training in Advanced Safeguarding and Child Protection, Food Hygiene and Paediatric First Aid and other required medical training; for example, Epi-pen refresher training.

Financial review

The trustees make strategic and operational decisions based on the financial position of the charity by reference to the financial information (i.e. budgets, cashflows) provided to them quarterly at their formal meetings. The trustees however do not get involved in the day to day detailed running of the charity except where required in order to support the appointed officers for the charity.

The charity received £293,391 (2018: £315,526) of income during the financial year to 31 March 2019 and expended £296,515 (2018: £292,173) showing a deficit of £3,124 (2018: surplus of £23,353). The principal sources of income are disclosed in note 4 to the accounts.

The charity has unrestricted reserves of £67,083 (2018: £70,207) of which £21,904 were freely available. The trustees have identified that the freely available reserves are at a low level and are addressing this in order to build reserves in line with the charity's reserves policy of three month's operating costs.

The trustees have assessed the major risks to which the charity is exposed, which include the risk of over-gearing due to the cross guarantee of borrowings taken out in Hope City Church. The trustees are satisfied that systems are in place to mitigate exposure to the major risks.

**HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2019**

The Trustees have been exploring the possibility of widening the services being offered through the charity in order to further strengthen its charitable purposes and increase social impact outside of the realm of childcare. In September 2019 the name of the charity was changed to Hope City Foundation to reflect this diversification of services although 'Meganursery' still operates as a department and trading name of the charity.

Other planned community programmes include parent groups, mental health support, youth engagement, skills development and adult education, rehabilitation of ex-offenders, support for the elderly and other projects focused on relief of poverty across Sheffield's most disadvantaged communities.

Structure, governance and management

The charity is a company (number 4489582) limited by guarantee under the provisions of the Companies Act 2006. The company does not have any share capital. Hope City Foundation was set up as a new limited company as at 18 July 2002 and received charity status in March 2004 (charity number 1102542).

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:

D A Gilpin

C P Blois

(Resigned 6 March 2019)

C Davies

K Downes

(Appointed 22 May 2018 and resigned 30 September 2019)

A Ibbotson

(Appointed 4 December 2018)

E Muthiah

(Appointed 19 April 2019)

L Davies

(Appointed 11 November 2019)

L Willis

(Appointed 9 December 2019)

There are at least 3 managing trustees at any one time in line with the charity's governing documents. When a vacancy occurs, the trustees discuss potential candidates and instruct a trustee representative to approach potential candidates. The trustees make a final decision to appoint trustees based on cultural fit, experience, knowledge and commitment.


None of the trustees have any beneficial interest in the company. At the time of preparing these financial statements, all of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustees review payments made to employees in equivalent managerial positions in similar organisations when considering the levels of pay for key managers. The trustees also take in to consideration the ability of the charitable company to be able to pay such salaries.

The current company secretary is S. Smith. The directors are D.A. Gilpin, C. Davies, A. Ibbotson, E. Muthiah, L. Davies and L. Willis. Some of the above are also the managing trustees of the charity. Hope City Church, a registered charity (number 1119791) and company limited by guarantee (number 5999100), is a related party as Hope City Foundation was set up by Hope City Church.

**HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2019**

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



C Davies

Trustee

Dated: 19 December 2019

6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HOPE CITY FOUNDATION

I report to the trustees on my examination of the financial statements of Hope City Foundation (the charity) for the year ended 31 March 2019.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

R J Givans BA FCA
UHY Hacker Young

Chartered Accountants

Dated: 19 December 2019

**HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019**

		2019	2018
	Notes	£	£
<u>Income from:</u>			
Donations and gifts	3	-	3,208
Charitable activities	4	293,383	312,318
Investments	5	8	-
Total income		<u>293,391</u>	<u>315,526</u>
<u>Expenditure on:</u>			
Charitable activities	6	<u>296,515</u>	<u>292,173</u>
Total resources expended		<u>296,515</u>	<u>292,173</u>
Net (expenditure)/income for the year/ Net movement in funds		(3,124)	23,353
Fund balances at 1 April 2018		<u>70,207</u>	<u>46,854</u>
Fund balances at 31 March 2019		<u><u>67,083</u></u>	<u><u>70,207</u></u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006 and has been prepared on the basis that all operations are continuing and that the movement in funds is attributable to the parent.

**HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
BALANCE SHEET**

AS AT 31 MARCH 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	12	45,179	52,279
Current assets			
Debtors	14	10,966	10,283
Cash at bank and in hand		32,132	41,495
		<u>43,098</u>	<u>51,778</u>
Creditors: amounts falling due within one year	15	<u>(21,194)</u>	<u>(33,850)</u>
Net current assets		21,904	17,928
Total assets less current liabilities		<u>67,083</u>	<u>70,207</u>
Income funds			
Unrestricted funds		67,083	70,207
		<u>67,083</u>	<u>70,207</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2019.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 19 December 2019



C Davies
Trustee

Company Registration No. 4489582

**HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1 Accounting policies

Company information

Hope City Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is The Megacentre, Bernard Road, Sheffield, South Yorkshire, S2 5BQ.

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 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts are prepared in sterling, which is the functional currency of the company. 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.

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.

1.4 Incoming resources

Grants and voluntary income comprising gifts, donations and other forms of income, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable, except insofar as they are incapable of financial measurement.

The value of services provided by volunteers has not been included.

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

1.5 Resources expended

Resources expended are recognised in the year in which they are incurred inclusive of irrecoverable VAT.

**HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

1 Accounting policies

(Continued)

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

Grants for other charitable activities are made at the discretion of the trustees and are recognised in the year in which they are made.

Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

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

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

Leasehold buildings	Straight line over the period of the lease
Fixtures, fittings & equipment	20% 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.

Fixed assets costing less than £500 are not capitalised.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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.

**HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

Basic financial assets

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

**HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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 receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Derecognition of financial liabilities

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

1.10 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.

1.11 Retirement benefits

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

**HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

1 Accounting policies (Continued)

1.12 Leases

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

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the directors 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. There are no judgements or estimates which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3 Donations and gifts

	2019	2018
	£	£
Donations and gifts	-	3,208
	<u> </u>	<u> </u>

4 Charitable activities

	2019	2018
	£	£
Sales within charitable activities	293,211	312,170
Other income	172	148
	<u> </u>	<u> </u>
	<u>293,383</u>	<u>312,318</u>

**HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

5 Investments

	2019 £	2018 £
Interest receivable	8	-
	<u>8</u>	<u>-</u>

6 Charitable activities

	2019 £	2018 £
Staff costs	202,034	207,291
Depreciation and impairment	7,100	6,614
Rent	18,000	18,000
Insurance	1,518	1,269
Cleaning	2,469	2,075
Printing, postage and stationery	1,631	2,098
Staff training	572	434
Catering costs	14,727	13,321
Legal and professional fees	10,346	2,603
Bad and doubtful debts	11,533	3,809
Sundry expenses	7,627	3,192
Advertising	-	64
Repairs and maintenance	6,857	3,614
Educational activities	11,651	7,389
	<u>296,065</u>	<u>271,773</u>
Grant funding of activities (see note 7)	-	20,000
Share of governance costs (see note 8)	450	400
	<u>296,515</u>	<u>292,173</u>

7 Grants payable

	2019 £	2018 £
Grants to institutions:		
Hope City Church	-	20,000
	<u>-</u>	<u>20,000</u>

**HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

8 Support costs

	Support costs £	Governance costs £	2019 £	2018 £	Basis of allocation
Independent examination fees	-	450	450	400	Governance
	<u>-</u>	<u>450</u>	<u>450</u>	<u>400</u>	
	-	450	450	400	
	<u>-</u>	<u>450</u>	<u>450</u>	<u>400</u>	
Analysed between Charitable activities	-	450	450	400	
	<u>-</u>	<u>450</u>	<u>450</u>	<u>400</u>	

Governance costs includes payment to the independent examiner of £450 for independent examination fees (2018: £400). Other costs includes payments to the independent examiner of £1,710 (2018: £1,640) for other services.

9 Trustees

C Davies together with his wife controls another company that during the year received payments totalling £963 (2018: £950) for payroll services.

None of the other trustees (or any persons connected with them) received any remuneration or any other benefits from employment with the charitable company and no trustee expenses have been incurred in the year (2018: none).

**HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Staff	17	18
Trustees	4	3
	<u>21</u>	<u>21</u>

Employment costs

	2019 £	2018 £
Wages and salaries	190,987	196,253
Social security costs	8,259	9,476
Other pension costs	2,788	1,562
	<u>202,034</u>	<u>207,291</u>

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

11 Taxation

In view of the charitable objects of the company and of its registered charity status, no taxation should be payable.

**HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

12 Tangible fixed assets

	Leasehold buildings £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2018	122,768	20,768	143,536
At 31 March 2019	122,768	20,768	143,536
Depreciation and impairment			
At 1 April 2018	74,338	16,919	91,257
Depreciation charged in the year	6,258	842	7,100
At 31 March 2019	80,596	17,761	98,357
Carrying amount			
At 31 March 2019	42,172	3,007	45,179
At 31 March 2018	48,430	3,849	52,279

13 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	43,098	51,558
Carrying amount of financial liabilities		
Measured at amortised cost	19,406	33,759

14 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	10,159	9,256
Amounts owed by fellow group undertakings	807	807
Prepayments and accrued income	-	220
	10,966	10,283

**HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

15 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Other taxation and social security		1,788	91
Deferred income	16	2,475	2,454
Trade creditors		8,715	4,206
Amount owed to parent undertaking		2,609	21,500
Amounts owed to fellow group undertakings		78	78
Other creditors		2,974	3,019
Accruals and deferred income		2,555	2,502
		<u>21,194</u>	<u>33,850</u>

16 Deferred income

	2019 £	2018 £
Other deferred income	<u>2,475</u>	<u>2,454</u>

Deferred income is included in the financial statements as follows:

	2019 £	2018 £
Current liabilities	<u>2,475</u>	<u>2,454</u>
	<u>2,475</u>	<u>2,454</u>

17 Financial commitments, guarantees and contingent liabilities

Hope City Foundation along with Megacentre Limited cross guarantee bank loan held by Hope City Church. At 31 March 2019 the bank loan amounted to £863,238 (2018: £1,657,302) and is due to mature on 27 November 2033.

**HOPE CITY FOUNDATION
FORMERLY MEGANURSERY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

18 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	26,520	23,398

The trustees review payments made to employees in equivalent managerial positions in similar organisations when considering the levels of pay for key managers. The trustees also take in to consideration the ability of the charitable company to be able to pay such salaries.

The company has taken advantage of the exemption from the requirement to disclose transactions with group companies on the grounds that any such transactions were entered into between the ultimate parent or wholly owned subsidiaries of the group and that group accounts are prepared.

19 Control

The ultimate controlling party is Hope City Church, a charitable company incorporated in the United Kingdom. Hope City Church control Hope City Foundation as it is able to appoint and remove all the trustees of Hope City Foundation. Hope City Church (being the smallest and largest group of which the charitable company is a member for which group financial statements are prepared) prepares group accounts and copies can be obtained from The Megacentre, Bernard Road, Sheffield, South Yorkshire, S2 5BQ.

The parent's principal purposes are to advance the Christian faith, to relieve sickness and financial hardship and to advance education.