

Company Registration Number: 10581355

Charity Registration Number: 1173161

FRIENDS OF THE HOUSE ON THE HILL
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019



Baines Jewitt
CHARTERED ACCOUNTANTS
AND BUSINESS ADVISERS

www.bainesjewitt.co.uk

FRIENDS OF THE HOUSE ON THE HILL
(A Company Limited by Guarantee)

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

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FRIENDS OF THE HOUSE ON THE HILL
(A Company Limited by Guarantee)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JANUARY 2019**

The trustees present their report and unaudited financial statements for the year ended 31 January 2019. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

OBJECTS AND ACTIVITIES

The principal objects of the charity are:

1. to advance the Christian faith in Tanzania, in particular but not exclusively, by providing grants of financial assistance to support the work of The House on the Hill Church in Mwanza, Tanzania; and
2. the relief of poverty in such parts of the world and in such ways as the trustees may from time to time determine.

Statement of Beliefs

We believe in:

1. The one true God who lives eternally in three persons - the Father, the Son and the Holy Spirit.
2. The love, grace and sovereignty of God in creating, sustaining, ruling, redeeming and judging the world.
3. The divine inspiration and supreme authority of the Old and New Testament Scriptures which are the written Word of God - fully trustworthy for faith and conduct.
4. The dignity of all people, made male and female in God's image to love, be holy and care for creation, yet corrupted by sin, which incurs divine wrath and judgement.
5. The incarnation of God's eternal Son, the Lord Jesus Christ - born of the Virgin Mary, truly divine and truly human, yet without sin.
6. The atoning sacrifice of Christ on the cross, dying in our place, paying the price of sin and defeating evil, so reconciling us with God.
7. The bodily resurrection of Christ, the first fruit of our resurrection, his ascension to the Father, and his reign and mediation as the only Saviour of the world.
8. The justification of sinners solely by the grace of God through faith in Christ.
9. The ministry of God the Holy Spirit, who leads us to repentance, unites us with Christ through new birth, empowers our discipleship and enables our witness.
10. The church, the body of Christ, both local and universal, the priesthood of all believers - given life by the Spirit and endowed with the Spirit's gifts to worship God and proclaim the gospel, promoting justice and love.
11. The personal and visible return of Jesus Christ to fulfil the purposes of God, who will raise all people to judgement, bring eternal life to the redeemed and eternal condemnation to the lost, and establish a new heaven and new earth.

In light of the Equality Act 2010, we clarify our doctrine as follows. We follow the teaching of the Bible that all sexual practices outside heterosexual marriage of one man and one woman are sinful and wrong. This includes bigamy, adultery and pre-marital sexual relations (see Genesis 2:24, Exodus 20:14, Matthew 19:4-6, Acts 15:20), homosexual practices (see Romans 1:26-28, 1 Corinthians 6:9-11 and 1 Timothy 1:8-10) and pornography (see Matthew 5:28-29). The Bible teaches us that the love of God extends to all people regardless of their actions but it also teaches that we must not be actively or passively complicit in sin (see 1 Timothy 5:22 and 1 Samuel 2) and that faith without works is dead (see James 2:17). It is, therefore, part of our doctrine that in relation to any activities of the Charity we in no way condone, promote, assist or encourage any of these practices. This includes, but is not limited to, the hiring out of premises or facilities for activities organised by third parties.

FRIENDS OF THE HOUSE ON THE HILL
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JANUARY 2019

The trustees regularly review the objectives, purposes and activities of the charity and, as part of this review, they have considered the Charity Commission's general guidance on public benefit and, in particular, its supplementary public guidance on the advancement of religion for the public benefit.

ACHIEVEMENTS AND PERFORMANCE

Throughout the period under review the charity has provided regular support to The House on the Hill church in Mwanza, Tanzania. This has been used to pay the wages of the church minister and administrator and to cover some key expenses.

Grants have also been made for further construction work and for the development of church facilities. This has included the building of classrooms for the children's education centre, offices and toilet facilities. These renovations enable the expansion of the children's centre and are being used for the benefit of the surrounding community.

FINANCIAL REVIEW

The Statement of Financial Activities reflects total net outgoing resources for the year of £208 (2018: net incoming resources of £3,205).

Closing net assets at 31 January 2019 amounted to £2,997 (2018: £3,205).

The trustees consider the overall financial position and state of affairs of the charity to be satisfactory at the present time.

Investment Policy

The charity's surplus funds are retained on current account with Barclays Bank plc. The trustees are able to make investments in the same manner and subject to the same conditions as trustees of a trust are permitted to do by The Trustee Act 2000.

Reserves Policy

The trustees consider that they need to maintain very limited levels of reserves with a minimum level of £600. The ongoing costs of the charity consist of the £200 per month support costs plus associated fees. Additional funds can be raised as and when required to fund further building work and other projects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Friends of the House on the Hill is a company limited by guarantee and not having a share capital, registered in England and Wales. It is governed by a Memorandum and Articles of Association dated 24 January 2017, as amended by Special Resolution dated 10 May 2017, and was registered with the Charity Commission from 24 May 2017. Every member promises, if the charity is wound up whilst they are a member or within one year of ceasing to be a company member, to contribute an amount not exceeding £1.

Appointment of Trustees

The first trustees were the subscribers to the Memorandum. New trustees are appointed on the recommendation of existing trustees/members. There is a required minimum of three trustees but no maximum number.

Trustees' Induction and Training

Further trustees are appointed in order to fill any perceived skills gap within the Board. The trustees have induction procedures in place to ensure that new trustees understand their roles and obligations. As part of these procedures, trustees are also encouraged to attend appropriate internal/external training events to facilitate the undertaking of their roles.

Organisation

The management and administration of the charity is under the control of the trustees who meet quarterly.

FRIENDS OF THE HOUSE ON THE HILL

(A Company Limited by Guarantee)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JANUARY 2019****REFERENCE AND ADMINISTRATIVE INFORMATION**

Charity Name: Friends of the House on the Hill

Company Registration Number: 10581355 (England and Wales)

Charity Registration Number: 1173161

Registered Office: The Old Police House
Dipton
Stanley
Co. Durham
DH9 9EB

Trustees/Directors: Mrs. D. Cook
Dr. L. Goodwin
Mr. O.A. Eniola
Mr. L.E. Dewhirst (resigned 18.6.19)
Mrs. P.E. Gordon
Mr. C.N. Mkumbo (resigned 7.3.19)
Mr. J. Cottey


Reporting Accountants: Baines Jewitt Limited
Barrington House
41-45 Yarm Lane
Stockton-on-Tees
TS18 3EA

Bankers: Barclays Bank plc
1 Churchill Place
London
E14 5HP

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approval

This report was approved by the trustees/directors on 25/10/19
and signed on their behalf by:


.....
J. Cottey
Trustee

FRIENDS OF THE HOUSE ON THE HILL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(including Summary Income And Expenditure Account)
FOR THE YEAR ENDED 31 JANUARY 2019

	Note	Unrestricted Funds 2019 £	Unrestricted Funds 2018 £
INCOMING RESOURCES			
Donations	2	13,036	17,377
Fundraising events		556	-
TOTAL INCOMING RESOURCES		<u>13,592</u>	<u>17,377</u>
RESOURCES EXPENDED			
Charitable activities	3	13,800	14,172
TOTAL RESOURCES EXPENDED		<u>13,800</u>	<u>14,172</u>
Net Movement in Funds	4	(208)	3,205
Reconciliation of Funds:			
Funds brought forward	8	3,205	-
Total Funds Carried Forward	8	<u>2,997</u>	<u>3,205</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

FRIENDS OF THE HOUSE ON THE HILL
 (A Company Limited by Guarantee)
 Company Registration Number: 10581355 (England and Wales)

BALANCE SHEET
AS AT 31 JANUARY 2019

	Note	2019 £	2018 £
CURRENT ASSETS			
Cash at bank		3,477	3,685
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	7	(480)	(480)
NET ASSETS		<u>2,997</u>	<u>3,205</u>
FUND BALANCES			
Unrestricted funds	8	<u>2,997</u>	<u>3,205</u>
TOTAL FUNDS	8	<u>2,997</u>	<u>3,205</u>

The trustees are satisfied that the charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 January 2019.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 January 2019 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- (i) ensuring that the charitable company keeps accounting records which comply with Section 386 and 387 of the Companies Act 2006, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 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 charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the trustees/directors on 25/10/19
 and signed on their behalf by:

.....
 J. Cottey
 Trustee

FRIENDS OF THE HOUSE ON THE HILL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

1. ACCOUNTING POLICIES

(a) Basis of Preparation

Friends of the House on the Hill is a private company limited by guarantee registered in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activity is to provide grants and support to The House on the Hill Church in Mwanza, Tanzania.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

(b) Income Recognition

All income is recognised once the charity has entitlement to income, there is sufficient certainty of receipt and it is probable that the income will be received, and the amount of income can be measured reliably.

Grants and Donations

- Where donors specify that grants or donations must be used in a future accounting period, the income is deferred until those periods;
- Where donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred until the period in which the pre-conditions are met.

Where donors specify that grants or donations are for a particular restricted purpose, which does not amount to pre-conditions regarding entitlement, the income is included in incoming reserves within restricted funds when received.

(c) Resources Expended

Resources expended are recognised in the Statement of Financial Activities on an accruals basis, inclusive of VAT. Individual costs are allocated between the various headings in the Statement of Financial Activities by reference to the underlying nature or reason for which those costs were incurred, on an estimated percentage basis.

(d) Unrestricted and Restricted Funds

Unrestricted funds comprise income received or generated by reference to the general objects of the charity without further specified purpose. Such funds may however be designated by the trustees for specific purposes from time to time.

Restricted funds are those donated for a specified purpose as laid down by the donor or as the result of a specific appeal or application. Such funds are kept separate from the unrestricted funds of the charity and only related expenditure is charged against them.

FRIENDS OF THE HOUSE ON THE HILL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

1. ACCOUNTING POLICIES - *Continued*

(e) Cash at Bank

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(f) Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. GRANTS AND DONATIONS

	Unrestricted Funds 2019 £	Unrestricted Funds 2018 £
Donations	13,036	17,377

3. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds 2019 £	Unrestricted Funds 2018 £
Costs directly allocated to charitable activities:		
Building works and other project donations	9,100	8,800
Mwanza retreat, seminar and training costs	80	1,520
Trustees' fees and expenses	987	2,400
Project support	2,424	800
	<u>12,591</u>	<u>13,520</u>
Governance costs:		
Accountancy	480	480
Bank charges	356	159
Sundries	-	13
Website	373	-
	<u>1,209</u>	<u>652</u>
TOTAL EXPENDITURE ON CHARITABLE ACTIVITIES	<u>13,800</u>	<u>14,172</u>

4. NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR

This is stated after charting:	2019 £	2018 £
Accountancy fees	480	480

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

5. TRUSTEES' REMUNERATION AND RELATED PARTY TRANSACTIONS

As permitted under the Memorandum of Association, expenses totalling £987 (2018: £2,400) were paid to Mr. J. Cottey, a charity trustee, in respect of missionary work in Mwanza, Tanzania.

During the year under review, trustees and other related parties made unrestricted donations to the charity totalling £3,646 (2018: £3,357).

Other than as mentioned above, no remuneration or expenses were paid, or were due to be paid, to any trustee or any person connected to them.

6. TAXATION

As a registered charity, Friends of the House on the Hill is exempt from tax on income under Section 505 of the Taxes Act 1988 provided that it is applied for charitable purposes only.

7. CREDITORS: Amounts falling due within one year

	2019	2018
	£	£
Other creditors and accruals	<u>480</u>	<u>480</u>

8. STATEMENT OF FUNDS

	At beginning of Year	Income	Expenditure	At end of Year
	£	£	£	£
Unrestricted funds	<u>3,205</u>	<u>13,592</u>	<u>13,800</u>	<u>2,997</u>

9. CONTROLLING PARTY

Throughout the year under review, the charity was under the control of the board of trustees.

FRIENDS OF THE HOUSE ON THE HILL
(A Company Limited by Guarantee)

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF TRUSTEES
ON THE UNAUDITED FINANCIAL STATEMENTS OF
FRIENDS OF THE HOUSE ON THE HILL**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Friends of the House on the Hill for the year ended 31 January 2019, which comprise the Statement of Financial Activities, Balance Sheet and the related notes, from the charity's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Trustees of Friends of the House on the Hill, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Friends of the House on the Hill and state those matters that we have agreed to state to the Board of Trustees of Friends of the House on the Hill, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Friends of the House on the Hill and its Board of Trustees, as a body, for our work or for this report.

It is your duty to ensure that Friends of the House on the Hill has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and surplus of Friends of the House on the Hill. You consider that Friends of the House on the Hill is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Friends of the House on the Hill. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Baines Jewitt

**Baines Jewitt Limited
Chartered Accountants
Barrington House
41-45 Yarm Lane
Stockton-on-Tees
TS18 3EA**

Dated: *23 October 2019*

JL/AJD