

The Network Church

Report and Accounts

year ended 31 December 2019

stewardship[®]

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THE NETWORK CHURCH
LEGAL & ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2019

ADDRESS FOR CORRESPONDENCE	33 Mayflower Road Park Street St Albans AL2 2QP
GOVERNING DOCUMENT	Declaration of Trust dated 16 August 1999
CHARITY REGISTRATION NUMBER	1078577
TRUSTEES RESPONSIBLE FOR MANAGING THE CHARITY	L Singlehurst T Withers T Miles J Featherby (resigned May 2020) J K Foulger C Hanbury (appointed May 2020)
INDEPENDENT EXAMINER	Jaimée Young Stewardship 1 Lamb's Passage LONDON EC1Y 8AB

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THE NETWORK CHURCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees have pleasure in submitting the Report and Accounts for the year ended 31 December 2019.

Objects of the charity

The charity, which is a church, is governed by a trust deed. The community of Network Church exists to commit our lives to serve the Gospel of Jesus Christ. Our primary responsibility as a church is to:-

- a) Build and nurture a Christian community
- b) Serve those outside the community in a variety of different ways
- c) Provide a forum for those who do not know God to explore the possibility of a relationship with him.

Our Mission Statement

A community of God's people working together to see God's Kingdom extended in our spheres of influence.

We are a church built around small groups which means that an important focus of the life of the church is the midweek 'cell groups'. These meet weekly and are where the group members worship together, encourage one another, and share their lives with families and friends.

The cell groups come together for larger meetings as the weekly Sunday morning meeting, where we experience God in corporate worship, and receive teaching from the Bible.

Governance

There are five Trustees, one of whom is also the team leader of the Leadership Team, who are responsible for the day to day running of the Church.

We meet across the week in a number of small midweek groups, and we all come together as a church for Sunday services. We follow a cell church structure, in that the leadership team supports and trains several cell leaders, who support and train their cell members.

The trustees are responsible for overseeing the financial decisions that are made by the leadership team.

Network Church is part of the Pioneer group of Churches, who support our Leadership Team, and oversee our progress and decisions.

The policy and operating decisions of the charity rest with the Trustees who meet regularly to monitor the activities of the Charity.

New trustees are recruited and appointed by the existing trustees, who discuss and agree on the capabilities and likely profile need to fill the role. This takes into account considerations such as the capabilities of the current trustees, specialist skills available and diversity considerations.

Summary of the charity's main activities and achievements

To further the above objects and mission, the charity's main activities and achievements were as follows:

We support and encourage those with a faith to deepen their relationship with God, and to increase the reach and effectiveness of their positive contribution to society.

We provide financial assistance for people linked to Network Church to attend spiritual retreats or counselling courses, and provide occasional financial support to individuals in need that are known to someone in Network Church, irrespective of their faith.

We give regular financial support to various charities and individuals, including to people in YWAM Tanzania, and support local charities either financially and/or with practical help, such as St Albans & Harpenden Education Project, Harpenden Money Advice Centre, Azalea, and The Living Room.

We have strong links with YWAM Tanzania, where several people are supported by Network Church or by individuals within the church. We regularly send a team to help with building projects there both practically and financially (e.g. schools, and nurseries), and church individuals occasionally visit as well. Various projects supported by people within Network Church have included a shoemaking workshop, a tailoring school, and the raising of chickens for sale by individuals within YWAM Tanzania. We receive regular updates, prayer requests and photographs from these people and projects.

In planning the activities the Trustees have applied the guidance on public benefit issued by the Charity Commission.

Connected organisations

Network church is part of Pioneer, and we also have close links with YWAM, Cell UK, and other St Albans & Harpenden churches. One of the trustees of Network Church, Laurence Singlehurst, is also a trustee of Cell UK.

Financial review

During the year income decreased by £9,900, to £96,400, and expenditure decreased by £10,200, to £110,200. As a result the cash held by the charity decreased by £13,800, to £60,100 of which £57,600 is unrestricted and can be used for any charitable purpose. Additional funds are held in an ethical investment fund.

We gave away 25% of our income during 2019 to a variety of organisations, and to individuals in need.

An annual budget is prepared by the Leadership Team, approved by the Trustees, and presented to the Church as a whole. At least twice a year, the actual figures are compared to the targets.

All of the Leadership Team and one Trustee are bank signatories. Two signatories are required on cheques and all bank documents.

Reserves policy

The trustees have determined that the charity should aim to hold unrestricted cash to cover expenditure commitments for 3 months (which equates to approximately £20,000) so that the charity could continue to operate should income and / or expenditure vary adversely. At the year end, the charity held unrestricted cash of £57,600 and the charity is holding excess funds; in 2019 we have invested in the pottery project, and in the years 2018-2020 we are investing in research into effective ways of leading churches and mobilising members for service.

Risk statement

The Trustees have reviewed the risks to which a small charity operating with few employees is exposed. Appropriate procedures are in place to identify, monitor and review these risks on a regular basis.

Responsibilities of trustees

Charity law requires us as Trustees to prepare financial statements for each accounting year which record the receipts and payments of the charity for the year.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable us to ensure that the financial statements comply with the Charities Act 2011.

We also have a responsibility to safeguard the assets of the charity and to take reasonable steps to prevent fraud or any other irregularities.

Approval

This report was approved by the trustees and signed on their behalf by:

T Withers

Date: 27 May 2020

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF
THE NETWORK CHURCH

I report to the trustees on my examination of the accounts of The Network Church ('the charity') for the year ended 31 December 2019 on pages 6 to 9 following.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and 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

I have completed my examination. I confirm that no material 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 accordance with section 130 of the 2011 Act; or
2. the accounts do not accord with the accounting records.

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

Jaimée Young

Stewardship
1 Lamb's Passage
LONDON
EC1Y 8AB

Date: 28 May 2020

THE NETWORK CHURCH
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019

Notes	<u>Unrestricted Funds</u>			2019 £	2018 £
	General Funds £	Designated Funds £	Restricted Funds £		
Income receipts					
Donations and grants	66,226	-	14,948	81,173	92,087
Gift aid receipts	13,792	-	1,315	15,107	11,700
Income from charitable activities	-	274	-	274	-
Weekend away	-	-	-	-	2,067
Investment income	98	-	-	98	17
Other	75	-	-	75	313
Total receipts	80,190	274	16,263	96,726	106,184
Payments					
Payments in relation to charitable activities undertaken directly	2	67,663	752	6,535	74,950
Grants paid in relation to charitable activities undertaken by others	3	16,525	-	9,023	25,548
		84,188	752	15,557	100,497
Purchase of investment	B	10,000	-	-	10,000
		10,000	-	-	10,000
Total payments		94,188	752	15,557	110,497
Net of receipts / (payments) before transfers		(13,998)	(479)	706	(13,771)
Transfers between funds	5	1,934	479	(2,413)	-
Net movement in funds		(12,064)	-	(1,707)	(13,771)
Cash funds as at last year end, as previously reported		72,061	-	1,852	73,913
Less: investment previously included as cash		-	-	-	(23,491)
Cash funds at this year end	A	59,997	-	145	60,142

Restatement of the prior year's results

In the previous year the charity included investments in its reported cash balances. These investments do not satisfy the definition of cash and the previous year's results have been restated so these investments are now excluded from the charity's reported cash balances. These investments are now reported separately in the Statement of Assets and Liabilities. The effect has been to reduce the cash held on 1 January 2018 and on 31 December 2018 by £23,491 and £23,610 respectively, and to reduce the charity's investment income in 2018 by £119.

The notes on pages 8 to 9 form part of these accounts.

THE NETWORK CHURCH
STATEMENT OF ASSETS AND LIABILITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

	<u>Unrestricted Funds</u>			2019 £	2018 £
	General funds £	Designated funds £	Restricted funds £		
A Cash funds					
Cash at bank with immediate access	59,997	-	145	60,142	73,913
	<u>59,997</u>	<u>-</u>	<u>145</u>	<u>60,142</u>	<u>73,913</u>
B Other monetary assets					
Gift aid due to charity	7,957	-	-	7,957	9,439
CCLA investment	40,393	-	-	40,393	23,610
	<u>48,350</u>	<u>-</u>	<u>-</u>	<u>48,350</u>	<u>33,048</u>
C Liabilities					
NEST [pension]	281	-	-	281	-
Fee for Independent Examination	960	-	-	960	870
	<u>1,241</u>	<u>-</u>	<u>-</u>	<u>1,241</u>	<u>870</u>
D Assets retained for charity's own use					
				Insurance value 2019 £	
Equipment and fittings				<u>10,090</u>	
				<u>10,090</u>	

The trustees have used insurance values as the trustees are unable to reliably estimate current values; insurance values may differ materially from current values.

The accounts were approved by the trustees and signed on their behalf

by T. Withers date 27 May 2020

The notes on pages 8 to 9 form part of these accounts.

THE NETWORK CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

The accounts have been prepared on a receipts and payments basis and comprise a statement that shows the charity's receipts and payments, a statement that summarises the charity's assets and liabilities and related notes. The accountancy profession have determined that only accounts prepared in accordance with applicable accounting standards present a 'true and fair' view and, as these receipts and payments accounts have not (and cannot) be prepared in accordance with accounting standards, these accounts do not present (and are not intended to present) a 'true and fair' view of the charity's financial activities and state of affairs.

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Restricted funds are donations which are to be used in accordance with specific restrictions imposed by donors; they include donations received from appeals for specific activities or projects.

	<u>Unrestricted Funds</u>			Total 2019 £	Total 2018 £
	General funds £	Designated funds £	Restricted Funds £		
	£	£	£		
2 Payments in relation to charitable activities undertaken directly					
Employment costs (Note 4)	57,369	-	6,335	63,704	58,528
Venue hire	2,945	-	-	2,945	2,825
Church activities and Community events	2,272	-	-	2,272	2,559
Gifts	781	-	-	781	837
Courses / conferences / training	535	-	-	535	651
Church weekend and Away day	-	-	-	-	3,623
Phone	670	-	-	670	853
Insurance	381	-	-	381	371
Office and administrative expenses	1,395	-	-	1,395	1,423
Computer and internet	241	-	-	241	239
Governance	739	-	-	739	784
Pottery	-	752	-	752	2,705
Sundry	336	-	200	536	200
	<u>67,663</u>	<u>752</u>	<u>6,535</u>	<u>74,950</u>	<u>75,599</u>

3 Grants paid in relation to charitable activities undertaken by others

Organisation:					
YWAM Tanzania	1,200	-	6,352	7,552	26,271
STEP	2,700	-	26	2,726	2,700
Cell UK Ministries	3,000	-	-	3,000	3,000
Fusion	800	-	-	800	1,200
Pioneer Trust	1,440	-	-	1,440	1,440
Organisations < £1,000	2,580	-	120	2,700	1,915
Individuals	4,805	-	2,525	7,330	8,325
	<u>16,525</u>	<u>-</u>	<u>9,023</u>	<u>25,548</u>	<u>44,851</u>

4 Transactions with related parties

Mr T Withers, Team Leader, was paid £48,841 [2018: 46,917] for serving in that capacity, not for serving as a trustee; as permitted by the charity's governing document.

THE NETWORK CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

5 Movement of funds	Balance at 31Dec2018	Receipts	Payments	Transfers	Balance at 31Dec2019
	£	£	£	£	£
General funds	72,061	80,190	(94,188)	1,934	59,997
Designated funds					
Pottery	-	274	(752)	479	-
	<u>72,061</u>	<u>80,463</u>	<u>(94,940)</u>	<u>2,413</u>	<u>59,997</u>
Restricted funds					
Mission support	1,852	9,928	(9,222)	(2,413)	145
MDP Employment	-	6,335	(6,335)	-	-
	<u>1,852</u>	<u>16,263</u>	<u>(15,557)</u>	<u>(2,413)</u>	<u>145</u>
Total funds	<u><u>73,913</u></u>	<u><u>96,726</u></u>	<u><u>(110,497)</u></u>	<u><u>-</u></u>	<u><u>60,142</u></u>

The Mission Support fund relates to donations given for the support of mission organisations and missionaries. The transfer from this fund relates to an administration fee which is taken from the recovered gift aid, with the permission of the donors. (An additional amount of £1,761 was transferred this year which relates to funds paid previously from general funds instead of restricted funds.)

The MDP Employment fund relates to a grant provided for the purpose of supporting this ministry.