

REGISTERED COMPANY NUMBER: 06585832 (England and Wales)
REGISTERED CHARITY NUMBER: 1124519

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
KERITH COMMUNITY CHURCH

Brindley Millen Ltd
Chartered Accountants and Statutory Auditors
167 Turners Hill
Cheshunt
Hertfordshire
EN8 9BH

KERITH COMMUNITY CHURCH

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for the Year Ended 31 December 2019

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KERITH COMMUNITY CHURCH

REPORT OF THE TRUSTEES **for the Year Ended 31 December 2019**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2019. The trustees have adopted the provisions of 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

Mission and Vision

The churches vision statement is "Helping people find their way back to God through communities growing in their love of God and their love for people". This is done through reaching out to these communities with the love of Christ through weekly meetings in our buildings, social justice activities and small group gatherings in the community as well as sowing into the wider national and international community with funds and resources.

Organisation

The primary responsibility for ensuring that Kerith Community Church fulfils its mission has been delegated by the Company Directors and Charity Trustees to the Elders. The Trustees are comprised of two Elders and three other church members, who meet at least three times a year, assisted by the Company Secretary/Operations Director and Executive Pastor.

The Elders meet monthly, under the chairmanship of the Senior Pastor. The Senior Pastor is responsible for the day to day running of the church. Under the oversight of The Elders, the day-to-day responsibilities for running much of the church activities and ministries are further delegated to the Senior Management Team, led by the Executive Pastor. The Senior Management Team includes Site Pastors, other Senior Managers and the Operations Director.

Financial matters are dealt with at a monthly finance meeting between the Senior Pastor, Executive Pastor and Operations Director with actions cascaded to the Senior Management Team.

Public benefit

The Trustees consider the Charity Commission guidance on public benefit and consider that the activities of the Charity meet its objectives and provide a benefit to the public.

FINANCIAL REVIEW

Financial position

Income/ Expenditure

Total income for the year was £1,498,912 a decrease of 14% compared to 2018 (£1,734,012). £1,377,399 of this income was received from the church community as general giving (2018: £1,158,385) an increase of 19%

Overall expenditure for the year increased from £1,531,380 to £1,676,526 and resulted in a deficit of £177,614 (2018: Surplus £202,632).

Funds and Balance Sheet

The net book value of tangible fixed assets at the end of the year of £3,358,644 (2018: £3,421,225) after deducting a depreciation charge of £167,921 for the year (2018: £170,846).

Cash at bank funds held at the year-end were £485,984 (2018: £591,930) of which £128,429 relates to restricted funds.

The trustees were satisfied with the year-end position in net income.

Investment policy and objectives

Due to the relatively short time period between the receipt of funds and their expenditure, all the funds, are held in cash.

Reserves policy

The trustees have a revised policy of building up general reserves to the value £300,000 to cover any unforeseeable needs of the church, based on the running costs of the organisation for 3 calendar months. The church is dependent upon its regular Sunday offerings, together with Tax reclaimed through Gift Aid and donations to fund ongoing ministries, as at 31st December 2019, the designated reserve stood at £233,300, this is below the level set as a target as the target amount was increased at the end of 2019 in line with increased running costs. Any excesses within the funds accrued during the year will be reinvested into the organisation to maintain the infrastructure and facilities of the estate. The position is continually monitored by the trustees who have committed 2.5% of the monthly income to build up the reserves to the budgeted level.

KERITH COMMUNITY CHURCH

REPORT OF THE TRUSTEES **for the Year Ended 31 December 2019**

FINANCIAL REVIEW

Funds

All funds include an accrual from the Income Tax Refund not yet received, which is expected to be received within the next 12 months. Funds are allocated from Offerings, Tax Refunds and Bank Interest, but not from Gift Day offerings.

Mission and Social Justice

16.2% of all general income was used to fund these activities which are made up of funds provided for Mission activity, Acts 2 (pastoral community care), Overseas academy student sponsorship, and Social Justice (ministry, salaries and expenses).

Donations are made to individuals and organisations; both in the UK and overseas, directly involved in Christian work, relief work, or work within the community and whose objectives the Elders consider to be in keeping with those of this church. Social Justice includes all activities where funds are provided to support those suffering financial hardship or similar social need. This includes grants made to members of the local community, as a result of requests made by local Social Services, and who have demonstrated a financial need.

Donations Policy

Kerith Community Church supports organisations and individuals (both domestic and foreign) and gifts are considered by the trustees on the basis of need whilst ensuring that the charity's objectives are met. There are no upper or lower limits of support but are reviewed and agreed upon by the elders subject to budgetary control and adequate reporting.

In addition, special collections are occasionally taken to support specific causes.

Other policies and procedures remained in place during the year:

1. Safeguarding policy and procedures associated with children's and youth activities overseen and managed by the church's Safeguarding Officer
2. Equipment set up and set down health and safety procedures associated with all the church's events, including Sunday services, ministry events and other events including specific and generic risk assessments held by the Site Services department
3. First aid, fire and evacuation procedures during Sunday meetings and ministry events overseen by the Site Services department and building administrators
4. Income protection and recording policies as advised in best practice through our auditors and insurers.
5. Data back-up for Information Technology systems held by the Site Services department
6. Formal staff commitment setting process annually with Line Management including a 6 monthly review

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

All Elders, with the exception of the Senior Pastor, are appointed from church members who display eldership characteristics and leadership skills. After going through a process to ascertain their suitability, the church is given a period of notice after which, subject to no sustainable objection, the candidate is recognised as an Elder and may be appointed a Trustee and Company Director.

In addition, trustees/company directors are also appointed from church members with professional experience and leadership skills, in areas such as finance, law, HR, facilities management etc.

Salaries and other staff benefits are agreed by the Salary Review Group, who meet as required, but at least once a year. This group is made up of one Trustee, the HR Manager and currently three members of the church.

Buildings: The Kerith Centre, nearby Studio, K2 and three freehold residential properties are owned by Kerith Community Church.

Volunteers are an essential part of church life, with most activities being supported by volunteers. It is estimated that over 80% of the church attendance support the ministry of the church through volunteering.

Key management remuneration

Salaries and remuneration for key management personnel are set by the Trustees following consultation and guidance from the Salaries Review board which comprise of the HR Manager, One Trustee and 3 others non staff members of the Church Community with relevant experience in charity and commercial industry. Benchmarking is carried out every 3 - 5 years to ensure all salaries remain consistent with similar sized and focused organisations.

KERITH COMMUNITY CHURCH

REPORT OF THE TRUSTEES **for the Year Ended 31 December 2019**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk Management

The Trustees continually review the risks and have a risk management strategy in place to ensure appropriate procedures are in place to identify, monitor and review these risks on a regular basis.

A continual review of the risks both financial and operational the charity may face is performed by the Operations Director in conjunction with the Trustees, enabling the establishment of systems and procedures to mitigate any risks that have been identified.

Procedures are implemented through consultation with the Trustees to minimise any potential impact on the charity should those risks materialise.

Major risks are considered to be those that may have a significant impact on:

- Operational performance, including risks to employees, volunteers, the children supported and reputation;
- Financial sustainability, including stability and security of income;
- The achievement of aims and objectives

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06585832 (England and Wales)

Registered Charity number

1124519

Registered office

The Kerith Centre
Church Road
Bracknell
Berkshire
RG12 1EH

Trustees

J Davis Chair
L Osunkoya Elder (resigned 1.3.20)
S Benham Senior Pastor
D Klitgaard Elder
Mrs D Seidu Treasurer
J M Whitton

Company Secretary

G Scull

Auditors

Brindley Millen Ltd
Chartered Accountants and Statutory Auditors
167 Turners Hill
Cheshunt
Hertfordshire
EN8 9BH

Bankers

HSBC Bank plc
26 Broad Street
Reading
Berkshire
RG12 1EH

KERITH COMMUNITY CHURCH

REPORT OF THE TRUSTEES **for the Year Ended 31 December 2019**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Brindley Millen Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Sep 23, 2020

Approved by order of the board of trustees on and signed on its behalf by:



Simon Benham (Sep 23, 2020 09:38 GMT+1)

S Benham - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF KERITH COMMUNITY CHURCH

Opinion

We have audited the financial statements of Kerith Community Church (the 'charitable company') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
KERITH COMMUNITY CHURCH**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



[mwbrindley](#) (Sep 23, 2020 10:58 GMT+1)

Maurice Brindley BSc FCA (Senior Statutory Auditor)
for and on behalf of Brindley Millen Ltd
Chartered Accountants and Statutory Auditors
167 Turners Hill
Cheshunt
Hertfordshire
EN8 9BH

Sep 23, 2020
Date:

KERITH COMMUNITY CHURCH**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 December 2019**

	Notes	Unrestricted funds £	Restricted funds £	31.12.19 Total funds £	31.12.18 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	1,193,595	183,804	1,377,399	1,594,283
Charitable activities	4				
Church Ministries		102,749	-	102,749	75,476
Social Justice		-	12,000	12,000	61,379
Bookshop		2,085	-	2,085	242
Investment income	3	3,579	-	3,579	2,632
Other income		1,100	-	1,100	-
Total		<u>1,303,108</u>	<u>195,804</u>	<u>1,498,912</u>	<u>1,734,012</u>
EXPENDITURE ON					
Charitable activities	5				
Church Ministries		1,472,661	105,641	1,578,302	1,331,501
Mission Support		29,744	21,349	51,093	138,139
Social Justice		-	46,065	46,065	60,928
Bookshop		1,066	-	1,066	812
Total		<u>1,503,471</u>	<u>173,055</u>	<u>1,676,526</u>	<u>1,531,380</u>
NET INCOME/(EXPENDITURE)		<u>(200,363)</u>	<u>22,749</u>	<u>(177,614)</u>	<u>202,632</u>
Transfers between funds	15	<u>105,946</u>	<u>(105,946)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(94,417)</u>	<u>(83,197)</u>	<u>(177,614)</u>	<u>202,632</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>3,713,359</u>	<u>283,133</u>	<u>3,996,492</u>	<u>3,793,860</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>3,618,942</u></u>	<u><u>199,936</u></u>	<u><u>3,818,878</u></u>	<u><u>3,996,492</u></u>

BALANCE SHEET

31 December 2019

	Notes	Unrestricted funds £	Restricted funds £	31.12.19 Total funds £	31.12.18 Total funds £
FIXED ASSETS					
Tangible assets	11	3,287,137	71,507	3,358,644	3,421,225
CURRENT ASSETS					
Stocks	12	1,544	-	1,544	2,145
Debtors	13	21,811	-	21,811	24,497
Cash at bank and in hand		357,555	128,429	485,984	591,930
		<hr/>	<hr/>	<hr/>	<hr/>
		380,910	128,429	509,339	618,572
CREDITORS					
Amounts falling due within one year	14	(49,105)	-	(49,105)	(43,305)
		<hr/>	<hr/>	<hr/>	<hr/>
NET CURRENT ASSETS		331,805	128,429	460,234	575,267
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,618,942	199,936	3,818,878	3,996,492
		<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS		3,618,942	199,936	3,818,878	3,996,492
		<hr/>	<hr/>	<hr/>	<hr/>
FUNDS	15				
Unrestricted funds				3,618,942	3,713,359
Restricted funds				199,936	283,133
				<hr/>	<hr/>
TOTAL FUNDS				3,818,878	3,996,492
				<hr/>	<hr/>

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

The financial statements were approved by the Board of Trustees and authorised for issue on Sep 23, 2020 and were signed on its behalf by:



Jonathan Davis (Sep 23, 2020 10:52 GMT+1)

J Davis - Trustee



Simon Benham (Sep 23, 2020 09:38 GMT+1)

S Benham - Trustee

KERITH COMMUNITY CHURCH**CASH FLOW STATEMENT****for the Year Ended 31 December 2019**

	Notes	31.12.19 £	31.12.18 £
Cash flows from operating activities			
Cash generated from operations	1	(4,869)	389,974
Interest paid		(416)	(558)
Net cash (used in)/provided by operating activities		<u>(5,285)</u>	<u>389,416</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(105,340)	(426,222)
Sale of tangible fixed assets		1,100	-
Interest received		3,579	2,632
Net cash used in investing activities		<u>(100,661)</u>	<u>(423,590)</u>
Change in cash and cash equivalents in the reporting period		<u>(105,946)</u>	<u>(34,174)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>591,930</u>	<u>626,104</u>
Cash and cash equivalents at the end of the reporting period		<u><u>485,984</u></u>	<u><u>591,930</u></u>

The notes form part of these financial statements

KERITH COMMUNITY CHURCH

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 December 2019

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.19 £	31.12.18 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(177,614)	202,632
Adjustments for:		
Depreciation charges	167,921	170,846
(Profit)/loss on disposal of fixed assets	(1,100)	3,106
Interest received	(3,579)	(2,632)
Interest paid	416	558
Decrease in stocks	601	812
Decrease in debtors	2,686	5,401
Increase in creditors	5,800	9,251
Net cash (used in)/provided by operations	<u>(4,869)</u>	<u>389,974</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.19 £	Cash flow £	At 31.12.19 £
Net cash			
Cash at bank and in hand	591,930	(105,946)	485,984
	<u>591,930</u>	<u>(105,946)</u>	<u>485,984</u>
Total	<u>591,930</u>	<u>(105,946)</u>	<u>485,984</u>

KERITH COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31 December 2019

1. ACCOUNTING POLICIES

Basis of preparing the financial statements and assessment of going concern

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The accounts are prepared on an accruals basis and include income and expenditure as they are earned or incurred.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

Support costs are allocated in direct relation to the allocation of the salary cost of each activity.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash, current bank accounts and deposit bank accounts with no withdrawal limitations.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will 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 are recognised at their settlement amount.

Tangible fixed assets

Only equipment costing £1,000 or over is capitalised, with depreciation charged at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	- permanent buildings over a 50 year period- temporary buildings over a 5 year period
Equipment	- 15% on cost
Fixtures and Fittings	- 20% and 6.67% on cost
Motor Vehicles	- 20% on cost
Computer equipment	- 33.3% on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated Funds, shown in the notes, principally represent funds set aside by the church on a regular basis to meet certain specific objectives together with the capital assets of the church. These are described in greater detail in the Trustees' Report.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

KERITH COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued **for the Year Ended 31 December 2019**

1. ACCOUNTING POLICIES - continued

Fund accounting

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Donated goods

Material donated goods and services are valued at current market value and are included in the financial statements as income and expenditure or assets.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially settled at transaction value and subsequently measured at their settlement value.

2. DONATIONS AND LEGACIES

	31.12.19	31.12.18
	£	£
Offerings & Donations	979,398	951,492
Gift Days & Special Offerings	155,582	98,030
Gift aid	242,419	234,761
Legacies	-	310,000
	<u>1,377,399</u>	<u>1,594,283</u>

3. INVESTMENT INCOME

	31.12.19	31.12.18
	£	£
Deposit account interest	<u>3,579</u>	<u>2,632</u>

4. INCOME FROM CHARITABLE ACTIVITIES

		31.12.19	31.12.18
	Activity	£	£
Ministry	Church Ministries	71,794	58,382
Other income	Church Ministries	30,955	17,094
Social Justice	Social Justice	-	61,379
Grants	Social Justice	12,000	-
Bookshop	Bookshop	2,085	242
		<u>116,834</u>	<u>137,097</u>

Grants received, included in the above, are as follows:

	31.12.19	31.12.18
	£	£
National Lottery	8,000	-
Cinnnamon Network	2,000	-
Groundwork UK	2,000	-
	<u>12,000</u>	<u>-</u>

KERITH COMMUNITY CHURCH**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the Year Ended 31 December 2019**5. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 6) £	Totals £
Church Ministries	1,568,464	9,838	1,578,302
Mission Support	51,093	-	51,093
Social Justice	46,065	-	46,065
Bookshop	1,066	-	1,066
	<u>1,666,688</u>	<u>9,838</u>	<u>1,676,526</u>

6. SUPPORT COSTS

	Governance costs £
Church Ministries	<u>9,838</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.19 £	31.12.18 £
Auditors' remuneration	5,610	5,448
Depreciation - owned assets	167,921	170,846
Surplus/(deficit) on disposal of fixed assets	<u>(1,100)</u>	<u>3,106</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

Total Trustees remuneration was £62,627. (2018: £60,000)

One trustee received the following sums under Contracts of Employment in respect of their work for the church:
S Benham £62,627 (Including Pension contributions of £6,263)

The charity consider its key management personnel to comprise the trustees, Executive Pastor and Operations Director. Total trustee remuneration and benefits for the year are £148,501 (2018: £142,825).

Trustees' expenses

The church has a Professional Liability policy with a limit of £1,000,000 for all claims in aggregate at a cost of £2,986 (2018: £2,842) and covering all Trustees.

Expenses either reimbursed to, or paid on behalf of, Directors and related parties amounted to £4,088 (2018: £7,749). Payments were mainly in respect of travel expenses, refreshments for pastoral meetings and conferences.

9. STAFF COSTS

	31.12.19 £	31.12.18 £
Wages and salaries	702,321	601,029
Social security costs	46,633	41,441
Other pension costs	70,395	60,702
	<u>819,349</u>	<u>703,172</u>

KERITH COMMUNITY CHURCH**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2019****9. STAFF COSTS - continued**

The average monthly number of employees during the year was as follows:

	31.12.19	31.12.18
Ministry	16	13
Administration	11	11
	<u>27</u>	<u>24</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.12.19	31.12.18
£60,001 - £70,000	1	-
	<u>1</u>	<u>-</u>

Pension costs represent the premiums paid to a non-contributory Group Personal Pension Plan offered to all eligible employees, to which the church contributes 10% of salary.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,468,535	125,748	1,594,283
Charitable activities			
Church Ministries	75,476	-	75,476
Social Justice	19,863	41,516	61,379
Bookshop	242	-	242
Investment income	2,632	-	2,632
Total	<u>1,566,748</u>	<u>167,264</u>	<u>1,734,012</u>
EXPENDITURE ON			
Charitable activities			
Church Ministries	1,263,800	67,701	1,331,501
Mission Support	121,633	16,506	138,139
Social Justice	-	60,928	60,928
Bookshop	812	-	812
Total	<u>1,386,245</u>	<u>145,135</u>	<u>1,531,380</u>
NET INCOME	<u>180,503</u>	<u>22,129</u>	<u>202,632</u>
Transfers between funds	<u>(16,183)</u>	<u>16,183</u>	<u>-</u>
Net movement in funds	<u>164,320</u>	<u>38,312</u>	<u>202,632</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>3,549,038</u>	<u>244,822</u>	<u>3,793,860</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>3,713,358</u></u>	<u><u>283,134</u></u>	<u><u>3,996,492</u></u>

KERITH COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2019

11. TANGIBLE FIXED ASSETS

	Freehold property £	Equipment £	Fixtures and fittings £
COST			
At 1 January 2019	4,475,426	210,347	627,279
Additions	24,377	72,313	-
Disposals	-	(13,446)	-
At 31 December 2019	4,499,803	269,214	627,279
DEPRECIATION			
At 1 January 2019	1,352,434	150,814	398,706
Charge for year	92,655	27,786	40,879
Eliminated on disposal	-	(13,446)	-
At 31 December 2019	1,445,089	165,154	439,585
NET BOOK VALUE			
At 31 December 2019	3,054,714	104,060	187,694
At 31 December 2018	3,122,992	59,533	228,573
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2019	12,044	10,193	5,335,289
Additions	8,650	-	105,340
Disposals	-	-	(13,446)
At 31 December 2019	20,694	10,193	5,427,183
DEPRECIATION			
At 1 January 2019	5,418	6,692	1,914,064
Charge for year	4,139	2,462	167,921
Eliminated on disposal	-	-	(13,446)
At 31 December 2019	9,557	9,154	2,068,539
NET BOOK VALUE			
At 31 December 2019	11,137	1,039	3,358,644
At 31 December 2018	6,626	3,501	3,421,225

12. STOCKS

	31.12.19 £	31.12.18 £
Stocks	1,544	2,145

KERITH COMMUNITY CHURCH**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the Year Ended 31 December 2019**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.19	31.12.18
	£	£
Other debtors	100	1,661
Gift aid receivable	17,528	16,298
Prepayments	4,183	6,538
	<u>21,811</u>	<u>24,497</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19	31.12.18
	£	£
Trade creditors	26,388	20,464
Social security and other taxes	15,720	10,788
Accrued expenses	6,000	8,375
Income in advance	997	3,678
	<u>49,105</u>	<u>43,305</u>

15. MOVEMENT IN FUNDS

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
General fund	108,084	(13,988)	4,410	98,506
Properties and capital equipment	3,387,477	(145,770)	45,429	3,287,136
Designated reserve	215,300	(38,107)	56,107	233,300
Flow Church Designated Fund	2,498	(2,498)	-	-
	<u>3,713,359</u>	<u>(200,363)</u>	<u>105,946</u>	<u>3,618,942</u>
Restricted funds				
Restricted capital equipment	33,747	(22,151)	59,911	71,507
Kerith Vision Fund	194,757	39,057	(164,577)	69,237
Pastor's discretionary fund	-	4,783	-	4,783
Other restricted funds	54,629	1,060	(1,280)	54,409
	<u>283,133</u>	<u>22,749</u>	<u>(105,946)</u>	<u>199,936</u>
TOTAL FUNDS	<u>3,996,492</u>	<u>(177,614)</u>	<u>-</u>	<u>3,818,878</u>

KERITH COMMUNITY CHURCH**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the Year Ended 31 December 2019**15. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,303,108	(1,317,096)	(13,988)
Properties and capital equipment	-	(145,770)	(145,770)
Designated reserve	-	(38,107)	(38,107)
Flow Church Designated Fund	-	(2,498)	(2,498)
	<hr/> 1,303,108	<hr/> (1,503,471)	<hr/> (200,363)
Restricted funds			
Restricted capital equipment	-	(22,151)	(22,151)
Kerith Vision Fund	141,179	(102,122)	39,057
Pastor's discretionary fund	7,500	(2,717)	4,783
Other restricted funds	47,125	(46,065)	1,060
	<hr/> 195,804	<hr/> (173,055)	<hr/> 22,749
TOTAL FUNDS	<hr/> <hr/> 1,498,912	<hr/> <hr/> (1,676,526)	<hr/> <hr/> (177,614)

Comparatives for movement in funds

	At 1.1.18 £	Net movement in funds £	Transfers between funds £	At 31.12.18 £
Unrestricted funds				
General fund	151,542	396,514	(439,972)	108,084
Properties and capital equipment	3,130,050	(143,508)	400,935	3,387,477
Conveyancing designated fund	10,000	(10,000)	-	-
Designated reserve	257,446	-	(42,146)	215,300
Flow Church Designated Fund	-	(62,502)	65,000	2,498
	<hr/> 3,549,038	<hr/> 180,504	<hr/> (16,183)	<hr/> 3,713,359
Restricted funds				
Konnections funds	11,268	-	(11,268)	-
Social Justice funds	35,894	-	(35,894)	-
Restricted capital equipment	38,904	(30,444)	25,287	33,747
Kerith Vision Fund	144,782	68,362	(18,387)	194,757
Other restricted funds	13,974	(15,790)	56,445	54,629
	<hr/> 244,822	<hr/> 22,128	<hr/> 16,183	<hr/> 283,133
TOTAL FUNDS	<hr/> <hr/> 3,793,860	<hr/> <hr/> 202,632	<hr/> <hr/> -	<hr/> <hr/> 3,996,492

KERITH COMMUNITY CHURCH**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the Year Ended 31 December 2019**15. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,566,748	(1,170,234)	396,514
Properties and capital equipment	-	(143,508)	(143,508)
Conveyancing designated fund	-	(10,000)	(10,000)
Flow Church Designated Fund	-	(62,502)	(62,502)
	<hr/> 1,566,748	<hr/> (1,386,244)	<hr/> 180,504
Restricted funds			
Restricted capital equipment	-	(30,444)	(30,444)
Kerith Vision Fund	121,817	(53,455)	68,362
Other restricted funds	45,447	(61,237)	(15,790)
	<hr/> 167,264	<hr/> (145,136)	<hr/> 22,128
TOTAL FUNDS	<hr/> <hr/> 1,734,012	<hr/> <hr/> (1,531,380)	<hr/> <hr/> 202,632

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.18 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
General fund	151,542	382,526	(435,562)	98,506
Properties and capital equipment	3,130,050	(289,278)	446,364	3,287,136
Conveyancing designated fund	10,000	(10,000)	-	-
Designated reserve	257,446	(38,107)	13,961	233,300
Flow Church Designated Fund	-	(65,000)	65,000	-
	<hr/> 3,549,038	<hr/> (19,859)	<hr/> 89,763	<hr/> 3,618,942
Restricted funds				
Konnections funds	11,268	-	(11,268)	-
Social Justice funds	35,894	-	(35,894)	-
Restricted capital equipment	38,904	(52,595)	85,198	71,507
Kerith Vision Fund	144,782	107,419	(182,964)	69,237
Pastor's discretionary fund	-	4,783	-	4,783
Other restricted funds	13,974	(14,730)	55,165	54,409
	<hr/> 244,822	<hr/> 44,877	<hr/> (89,763)	<hr/> 199,936
TOTAL FUNDS	<hr/> <hr/> 3,793,860	<hr/> <hr/> 25,018	<hr/> <hr/> -	<hr/> <hr/> 3,818,878

KERITH COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued **for the Year Ended 31 December 2019**

15. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,869,856	(2,487,330)	382,526
Properties and capital equipment	-	(289,278)	(289,278)
Conveyancing designated fund	-	(10,000)	(10,000)
Designated reserve	-	(38,107)	(38,107)
Flow Church Designated Fund	-	(65,000)	(65,000)
	<hr/>	<hr/>	<hr/>
	2,869,856	(2,889,715)	(19,859)
Restricted funds			
Restricted capital equipment	-	(52,595)	(52,595)
Kerith Vision Fund	262,996	(155,577)	107,419
Pastor's discretionary fund	7,500	(2,717)	4,783
Other restricted funds	92,572	(107,302)	(14,730)
	<hr/>	<hr/>	<hr/>
	363,068	(318,191)	44,877
TOTAL FUNDS	<hr/>	<hr/>	<hr/>
	3,232,924	(3,207,906)	25,018
	<hr/>	<hr/>	<hr/>

Unrestricted funds

Properties and capital equipment fund represents the value of all unrestricted capital assets.

Conveyancing designated fund represented monies set aside by the trustees for the Sandhurst site pastor's house move, this fund was spent in the year.

Designated reserve represents monies set aside in line with Charity Commission guidelines to ensure smooth running of the charity should there be any interruption to operations.

Flow Church Designated fund represents monies set aside for Flow church plant.

Restricted funds

Restricted capital equipment represents the value of capital assets purchased with restricted monies, these assets are depreciated on an annual basis.

Kerith Vision Fund represents monies given for the set up of new sites and for improvements to buildings and equipment in current use.

Other restricted funds are a group of restricted funds which represent monies received and expenses for varying other restricted purposes including; gifts made to other charities, assisting church members in need to pay for winter fuel, travel costs for youth pastor, assisting women's ministry in other countries and assisting churches and church plants in developing nations.

Transfers between funds

During the year the following transfers were made:

All additions and disposals of capital items have been transferred to either the Properties and capital equipment fund or the Restricted capital equipment fund, dependent upon whether the asset was purchased with restricted funding, this included purchases made with the General and Vision fund.

KERITH COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2019

16. RELATED PARTY DISCLOSURES

During the year employment costs of £30,635 (2018: £24,000) and pension costs of £3,063 (2018: £2,400) were paid to Mrs C Benham, the spouse of a trustee. This remuneration was in relation to her employment for the charity.